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The New REPUBLIC

A Journal of Opinion

VOL. LXXIV NEW YORK, WEDNESDAY, MAY 3, 1933 NUMBER 961

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The Week

THE qualities of Mr. Roosevelt's mind were never better revealed than in his action in putting an embargo on gold and demanding the broadest possible powers to manipulate and inflate the currency. He is a pragmatist; he is not afraid of any experiment, no matter how drastic; and he goes on his way unperturbed by the shrieks of the conservatives who are predicting complete and irrevocable ruin about the middle of next week. It is obvious, of course, that the President will not use all of the powers asked in the new inflationary amendment to the farm bill; as in the case of the original document, he has dumped into one measure every possible device, so that the question will no longer agitate the halls of Congress. For a moment, the main point is that he is not afraid to consider taking whatever steps, no matter how unprecedented, he and his advisers consider desirable. The first step, moreover, is not unprecedented—Mr. Hoover tried the expansion of credit through the purchase of government securities by central banks. Unless Mr. Roosevelt devises some new way of using this credit, now to be provided in larger volume than before, he may fare no better. If the inflation bill is to be used as a new means of large borrowing and spending by government or by industry it may work, but not otherwise.

AS THESE lines are written, nothing concrete is known as to the results of the White House conversations with MacDonald, Herriot and the other representatives of foreign powers except the very important one that there is to be no competition in reducing the exchange values of the British and American currencies and that both countries will adopt a common policy with regard to gold. Mr. Roosevelt has listed a wide range of topics which have been discussed, including the world price level, central-bank policies, monetary standards, exchange restrictions, the status of silver and "a number of world problems relating to trade and particularly the limitation of trade restrictions." It is explained that "agreement with reference to any of these subjects has been reserved for the World Monetary and Economic Conference itself." Despite the President's statement that "it was never the purpose of the present discussion to conclude definite agreements," there was a very general understanding in advance that such agreements, reducing specific tariffs between the United States and other countries individually, were among the objectives of these conferences.

IT IS reasonable to suppose that these specific trade agreements have been pushed into the background by more important developments. Those who think that the United States is on the brink of inflation may regard modest reductions of tariffs as of comparatively little significance; nevertheless it would be fatal to postpone other essential measures on the basis of a hope that may never be realized. Mr. MacDonald presumably told Mr. Roosevelt that the danger of war and the pressure of super-nationalism are so great in Europe that there is no hope of doing anything in the World Economic Conference until some steps have been taken toward relieving the fears and canalizing the chauvinism with which the Continent is afflicted. Washington observers believe that Mr. Roosevelt has expounded a formula which will make possible a substantial degree of disarmament and will couple with it the solution of the other international questions which have been listed so many dreary times. If he has,

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he is indeed a wizard; but until we know the facts, a large degree of skepticism seems unwarranted.

IN Germany, the National Socialists are continuing to solidify their control over every public activity. The announcement that the Steel Helmet organization is to be merged with the Storm Troops under Hitler leadership has been officially confirmed. Franz Seldte, nominal chief of the Steel Helmets, and his assistant Düsterberg—he of the Jewish grandfather—will resign; a number of the subordinate officers will remain. Göring, Hitler's most influential adviser, becomes Prime Minister of Prussia and von Papen is slated for the post of Foreign Minister to replace von Neurath, who will become State Commissioner of Württemberg, the only non-Fascist governor in any of the German states. Meanwhile, persecution of labor and the Jews continues unabated. A correspondent of The New York Times reports having visited an internment camp in Dachau where three Communists were shot "while trying to escape," the official version of cold-blooded political murder in Germany and many other countries. Ten radicals and Jews in various parts of Germany have been reported slain during the past week; no one is foolish enough to suppose that any serious effort is being made by the police to apprehend the murders.

THE Socialist and trade-union movements have been reduced to impotence. The former has just issued an official denial of the charge that it had sent money to Czechoslovakia for the printing of anti-Hitler literature; there has been no statement concerning the widespread report of its withdrawal from the Labor and Socialist International. The Trade Union Federation has reached an understanding with the authorities, promising withdrawal from the (Amsterdam) Trade Union International and the resignation of Theodore Leipart, the president of the Federation. Vice-Chairman Grassmann will be retained, under Nazi supervision, with the understanding that he will resign from the Social Democratic party, which he now represents in the Reichstag. The Communist party alone is making an effort to hold its own against the Fascist avalanche by publishing illegal newspapers and encouraging its members to meet the government terror doggedly.

THE cultural "rebirth" of the nation goes merrily on, with bigotry rampant. On May 10, every university in the Reich will stage a campus bonfire for the destruction of "un-German" books from its own and other public libraries. The Ministry of Education and Culture lends official support to a movement for the collection of radical books and books written by non-Aryan authors from libraries and private homes—obviously an excuse for new atrocities. German Fascism is following the lead of Mussolini in its treatment of the Free Masons, who, though thoroughly conservative, have preserved the free-thinker tradition. Henceforth this organization will be known as the "National Christian Order of Frederick the Great" and will renounce whatever remains of its liberal tenets. The churches are offering a show of resistance to Fascist domination that may result in some concessions. The protests of the Lutherans have prevented nationwide control of the Protestant Church, although other states are likely soon to follow the lead of Mecklenburg-Schwerin, where a State Commissioner has taken the place of the recognized church authorities. The resistance of the Catholic clergy has the backing of the Pope, who threatens to break off relations with Germany if the government persists in carrying out its dictatorial policies. Von Papen, himself a Knight of the Vatican, who was sent to Rome to pave the way for a reorganization of the Centrist party, failed to convince the Holy See of the necessity of this reorganization under the leadership of those Catholic priests and laymen who joined the Hitler movement a year ago.

THE situation which has developed between Great Britain and Russia is one with extremely dangerous potentialities. One would say that it might easily lead to war, if the almost frantic pacifism of the U.S.S.R. were less well known. Great Britain, in the effort to bully the Russians into releasing the two engineers Thornton and MacDonald, who were found guilty in the espionage-sabotage trial, has ordered an 80-percent embargo on Russian goods, to take effect this week. This attempt at international blackmail has thus far failed, as such attempts almost always do; the Russians have replied with an anti-British boycott of their own. While it is possible that some arrangement may be made whereby the two engineers will presently be released on one pretext or another, the chances seem against it. What seems more probable is that England and Russia will break diplomatic relations once more. This will mean a vast curtailment, if not the destruction, of Anglo-Russian trade. It will mean that Russia's economic program will be more than ever handicapped, since England has been almost the only country which has bought more from Russia than it has sold to her. It means, probably, an increase in the Russian trade of the United States and some other countries, notably Czechoslovakia. At best, it means a net curtailment of world trade and is thereby a factor contributing to the continuance of the depression.

WERE these engineers, and their Russian confreres, actually guilty? Were they spies in the employ of Great Britain, or of someone else, engaged in deliberate sabotage upon machinery they themselves installed, and in the collecting of military information such as might be useful to the enemy in case of war? It is impossible at this distance to answer these questions. Russia is a strange country; things happen there which would be impossible anywhere else. International espionage does go on; a

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striking picture of British spies at work in Russia is given in the recent book, "British Agent," by R. H. Bruce Lockhart, who was himself part of the organization. It is true that Sir John Simon denied categorically that these men were English agents; but it is also true that if they had been spies, great pains would have been taken to keep Sir John from knowing it, and he probably would have been encouraged to make just the statement he did. Though all countries engage in espionage, no country ever officially admits it; when a spy is caught, either his government lets him shift for himself or it loudly proclaims his innocence. The proceedings in the Russian trial seem to indicate pretty clearly that at least one and probably two of the Englishmen were guilty of some, at any rate, of the charges.

IF THE evidence, as reported by newspaper correspondents, was much less convincing than supporters of Russia would have wished, it must be remembered that much of the most important material was undoubtedly brought forward at the secret preliminary hearing which, in Russian procedure, is often more important than the trial itself. It must also be remembered that some of the evidence may have been suppressed by the Russians for military reasons. Finally, even the bitterest foe of the U.S.S.R. must recognize that that country had everything to lose and nothing to gain by alienating England just at this time. Her trade treaty with Great Britain was about to expire. Relations with Germany, her other chief customer, were becoming impossibly strained because of Hitler's crusade against Communism. True, the United States was growing more friendly; but it was to Russia's obvious advantage to play off one Anglo-Saxon power against the other. To believe that Russia in such a situation would deliberately cook up a spy scare for internal purposes —in order, for example, to distract attention from the domestic food situation—is to suppose that the leaders of that country are crazy. A much more sensible hypothesis is one which says that, confronted by what they regarded as overwhelming evidence of guilt, the Soviet officials felt impelled to order the trial no matter how deplorable the political consequences might be.

TO Manchukuo must now be added Huapeikuo. That is the name of another buffer state which Japan is intending to set up—this time, in northern China itself, and perhaps actually including Peiping, Tientsin and the area between them. For weeks, Japanese troops have been pounding ahead mercilessly according to their predetermined objectives. The Chinese, lacking any strong central authority and with the feeble Nanking government all but bankrupt, have been able to offer only guerilla resistance. Now the British, doubtless alarmed for the safety of their own property in the Peiping-Tientsin region, are seeking to bring about an armistice during which a neutral zone would be maintained between the contending forces; but from their own point of view, the Japanese would be insane to accept such an armistice while their armies are so conspicuously successful. The moral force of the world, expressed through the League of Nations, has tried to stop Japan and has failed. There is no physical force which can and will be used against her. It is possible that the breakdown of her economic organization at home may force her to abandon her plans on the mainland, but even this is doubtful—unless the economic breakdown were to be accompanied by a successful revolution, of which there now seems little prospect.

THE recent argument in the Scottsboro case would seem to have borne at least one important fruit. A judge in a Northern state has refused to send back to a Southern state for trial a Negro charged with murder. He did so on the ground that in the Southern state (Virginia) Negroes were certain to be excluded from the jury, in contravention of the Fourteenth Amendment, that the United States Supreme Court was sure to regard this as improper procedure demanding a new trial, and that the whole proceeding would be a farce and a waste of the taxpayers' money. Said this jurist, Judge James A. Lowell of the Federal District Court in Boston: "It goes against my Yankee common sense to have a case go on trial for two or three years and then have the whole thing thrown out by the Supreme Court." Judge Lowell's own opinion is to be appealed to the United States Supreme Court, and the decision there will obviously be one of great importance. If he is upheld, either the Southern states must begin to allow Negroes to serve on juries, or else any fugitive Negro, if he can escape to a Northern state, will be reasonably sure of avoiding trial.

IF THE Insull mess in Chicago is ever cleaned up, a large measure of the credit must go to Mr. Dwight H. Green, who is now acting temporarily as Federal Attorney in that city. Chicago is a town where people of social and financial importance as a rule are practically exempt from prosecution for any kind of misbehavior; yet Mr. Green has succeeded in obtaining from a federal grand jury indictments for mail frauds of a number of leading financiers in connection with the flotation of the Corporation Securities Company, which was one of Sam Insull's gifts to the American people. Not only did he press for and obtain indictments of the three Insulls and of H. L. Stuart of Halsey, Stuart, but he also swept within his net E. J. Doyle, president of the Commonwealth Edison Company, and Stanley Field, chairman of the Continental Illinois Bank, the largest in the West. He has undertaken an investigation of the income-tax payments of Moe Rosenberg, one of Chicago's leading Democrats. On the face of the record, Mr. Green's temporary appointment ought to be made permanent, and we hope President Roosevelt will help to bring this about. He ought to remember, incidentally, that

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the Democratic organization in Chicago is rotten through and through and may be relied upon, generally speaking, to knife any honest man with whom it comes into contact.

MR. Roosevelt, who has lately made many excellent nominations to government posts, now has it in his power to make another. Friends of Judson King, director of the National Popular Government League, have suggested him as a possible choice for one of the members of the Federal Power Commission. Readers of The New Republic, which has published many articles by Mr. King, do not need to be told of his unfaltering efforts for many years to have the nation's power resources used in the public interest. On more than one occasion he has, almost single-handed, given publicity to attempted projects by the power group which curled up and died under his spotlight. The New Republic endorses the proposal to make him a member of the F.P.C. only because it believes that his usefulness will be even greater there than in his present post.

ORGANIZED protests by farmers against their economic conditions have heretofore been most conspicuous in Iowa and Nebraska. Now, however, Wisconsin seems likely to occupy the center of the stage for a while. The general "farm strike" which has been called for May 10 will be particularly effective in that state, which just now has a vigorous and rapidly growing organization of farmers under the direction of a remarkable personality, Walter Singler. Singler has organized more than 15,000 Wisconsin farmers into a "milk pool," one of whose purposes is to raise the price paid the farmer for milk from its present level, which ranges between $.85 and $1 per hundred pounds, to a minimum of $1.75. His group also asks collective bargaining, national control of the dairy industry and prices based on the cost of production. Although the aims of this group have evoked sympathy in many important quarters, there is also bitter opposition among the milk buyers of Wisconsin, and bloodshed is entirely possible when the strike begins on May 10.

THE hopeless situation that confronts the holders of real-estate bonds, particularly of those sold by S. W. Straus and Company, has again come to the fore in a statement issued by Samuel Seabury, arbiter for the Real Estate Bondholders' Protective Committee. The specific case cited is one in which Mr. Seabury was forced to recommend, as a lesser of two evils, the acceptance of 40 percent as a settlement on a Buffalo, New York, bond issue because one individual had bought up at depressed prices a sufficient amount of these bonds to block a more advantageous reorganization plan. As a matter of fact, this case casts upon the situation as a whole a far brighter light than actual facts warrant. Forty cents on the dollar is, under existing conditions, an extremely good settlement. A careful survey of the specific anarchy known as the real-estate-bond market reveals that there are possibly no more than half a dozen issues selling at more than forty and no more than a dozen issues selling between twenty-five and forty. The vast bulk of the issues sell at from one to twenty-five cents on the dollar, with a goodly number of them having no bid at all. We are inclined to disagree with Mr. Seabury that "bondholders' committees have been the only means of self-preservation for the bondholders." On only three issues have the investors received, through their protective committees, settlement in excess of 40 percent. All other reorganizations were either on a basis of a much lower cash settlement or consisted of new securities subordinated to prior liens and limited in such a way as to make them practically worthless. Meanwhile the owners of real-estate bonds have been suffering at other hands. Mortgage borrowers and trustees are taking advantage of the depressed market and are buying at ridiculously low prices the bonds outstanding against their own buildings. They use these bonds for amortization payments, thereby saving themselves about seventy-five cents on the dollar. The result is a scaling down of indebtedness that amounts to virtual confiscation. We agree with Mr. Seabury that nothing short of federal control could relieve the general situation. We believe further that a first step should be a thorough investigation by the government, not only of the underwriters and promoters, but of the protective committee as well.

Can We Stay off Gold?

WHEN THE Secretary of the Treasury made his dramatic announcement that we were off the gold standard, our currency system and our foreign-exchange situation were substantially the same as they had been ever since the banks closed in March. A gold embargo was, to be sure, declared; but even before that, no gold was allowed to be exported except by special license, and very little was, as a matter of fact, shipped abroad. Before the announcement we were still being deflated; now we are supposed to have entered an era of inflation.

What has made all the difference? Only the expectation of speculators that Congress will pass "inflationary" legislation, plus their expectation that this legislation will raise prices. But what has already happened is not the kind of inflation which the sound-money adherents are so vehemently deploring. It is merely a partial restoration of confidence—*i. e.*, confidence that speculation and trading may be carried on at a profit—confidence such as the Republican administration was hoping for during three long, weary years.

Such a burst of speculative enthusiasm may produce the very result it hopes for, at least for a time. But is real inflation of the currency at hand? Having declared, with a noble gesture, that we have gone off the gold standard, shall we succeed in stay-

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ing off? Can we, by this simple means, depress the foreign-exchange value of the dollar and bring about any desired rise of prices at home?

Countries which hitherto have gone off the gold standard have gone, not by deliberate choice, but by compulsion. In some cases their internal debts, usually consisting for the most part of governmental borrowings from the banks, have grown so large in relation to the gold reserves that these reserves could no longer be kept at the legal ratio. Inconvertible currency had to be printed and, being spent in large quantities by the government, naturally increased prices through the operation of the law of supply and demand in the markets for goods and services. Or, the balance of international payments being heavily against the nation in question, it had to stop the outflow of gold as a means of settling the balance and let its currency sink to the value determined by the supply and demand for its bills of exchange. In such a case, as in the recent one of England, prices may not rise at all. Can a country go off the gold standard and inflate, simply by declaring that it is doing so?

While the United States is technically off the gold standard in the sense that gold will not be paid out to holders of our currency or notes either at home or abroad, we were not forced off by either of the processes described above. There is in this country no shortage of gold reserves against money outstanding or bank credit: quite the reverse. We had to stop payments of gold not because people wanted money to spend but because they wanted gold to hoard. If business starts borrowing and spending, and banks start lending to business for this purpose, people will no longer want gold. And there will be plenty in the reserves to make possible, without straining the legal reserve ratio, at least as much activity as in 1929, even at prices as high. If all this happens, we can still decline to pay out gold if we want to, or we can devaluate it, or dilute it with silver, but there will not be the slightest reason for doing so.

Or, if business does not revive of itself, the government can borrow and spend huge amounts, if it will, with no more damage to the legal gold standard than occurred during the War. Sufficient government borrowing and spending, like sufficient private borrowing and spending, may of course bring inflation in the sense in which we had it in 1920 or 1929. But the gold standard is not necessarily impaired thereby, nor is "going off gold" an essential preliminary. One of the gross defects of the gold standard is, indeed, that in a country which has as much gold as the United States has had, year in and year out, ever since the War, far too much inflation can occur without any curb at all being applied by a scarcity of gold in reserve.

As for the international situation, our gold might temporarily have been drained abroad by frightened hoarders or speculators, but in the natural course of events it was bound to flow back again, because, unlike other nations which have been forced off gold in foreign transactions, we have an incoming balance of payments. The value of what we export is greater than the value of what we import. Large sums are due us on foreign debts. These may, in great part, be defaulted, but even so our balance will remain "active," at least for a long time to come. There will be a larger amount of foreign currencies for sale to pay for purchases in America than there are dollars for sale to pay for our purchases abroad. How, under these circumstances, can we expect the dollar to sink in terms of pounds, francs, marks or liras for long at a time? Simply barring export of gold will not bring about that result. The dollar is quite likely to rise in exchange markets; we may snap back on the gold standard in spite of all efforts to the contrary, or indeed, may go off it in the wrong direction.

There is no magic by which changing the metallic basis of a currency, or abolishing it altogether, will directly expand economic activity and raise prices. Fears that this will necessarily occur are as extravagant as hopes that it will. Business and prices move first; they are causes of what happens to money, not results. We can have a speculative boom like many before in our history; but the chances are that if we do have it, we shall find ourselves at the end with enough gold to maintain the standard to the heart's content of Mr. Ogden Mills —if anybody thinks it worth doing.

Controlled Hours and Wages

THE MUCH heralded bill which, according to advance press reports, was supposed to give the Secretary of Labor dictatorial power over industry, with the right to limit output, maintain prices, etc., turns out, upon examination of the first published text, to be merely a revised version of the Black thirty-hour bill, making it more flexible, adding to it the essential feature of wage boards, and providing the administrative machinery which is vital in any attempt to control wages and hours in industry. There is no mention of price or production control and none of "quotas."

The only approach to that sort of thing is Section III, which empowers the Secretary to "specify a limitation that should be imposed upon the total hours of operation" of a plant which is "bringing about overproduction or unfair competition in interstate commerce by reason of excessively long periods of operation." This is probably a means of finding a legal sanction for the limitation of hours, by linking it up with the conception of "unfair competition," which already may be barred under judicial interpretation of the Constitution. Undoubtedly, a plant working say sixty hours a week at low wages, and thereby flooding the market with sweat-shop goods, is providing unfair competition with others which desire to maintain something like decent standards. It is compelling them to sink to its level or go out of business. And there is no bottom limit

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to competition of this sort. To require that such a firm may confine itself to a thirty or forty-hour week makes possible the maintenance of better labor standards by competitors. But it is not directly limiting the output of the industry as a whole, preventing improvements in efficiency, sustaining prices, or hampering the competition in reduction of costs by legitimate means. It is not assigning quotas of a total output.

Several sections of the bill implement the proposal of a part of the labor movement, whose spokesman in this matter is Sidney Hillman of the Amalgamated Clothing Workers, for minimum wage boards in sweated industries. Such a board is to be established "if the Secretary shall ascertain and publish a finding that because of the limitation of hours of work herein or otherwise provided, or for any other reason, a substantial number of workers in any such enterprise are not receiving a wage fairly and reasonably commensurate with the value of the services rendered or sufficient for the maintenance of a reasonable standard of living." The board is to be composed of equal numbers of representatives of the employers, the employees and the public, will have powers to obtain evidence similar to the powers granted to arbitration boards under the railway labor act, and will submit recommendations as to minimum wage rates thirty days after its appointment. The Secretary thereupon issues a "directory order" establishing such rates. If the order is violated and, as a result, unfair competition ensues, the Secretary of Labor may declare his intention to make the order mandatory, publishing the names of the violators, and after a public hearing may issue the mandatory order. This is not precisely an arbitrary "dictatorship," even over wages. But it does make possible the organization of industry for the elimination of competition at the expense of sweated workers.

Control of wages is obviously a necessary complement to control of hours. Suppose a plant working sixty hours a week at a low hourly rate is suddenly compelled to cut its schedule to thirty. If nothing is done with wages, the earnings of the individual worker are halved. Even before, he may not have been receiving enough to live on. An increase in the hourly rate is absolutely required. But, under conditions of depression and cut-throat competition, a single concern alone cannot make the necessary increase. Adjustment machinery for a whole group of competitors is clearly necessary in such a case.

The objection of conservative forces in the A. F. of L. to minimum wage boards may be ignored. The A. F. of L. has consistently trailed along behind movements for necessary labor legislation, but in the long run it has almost invariably climbed aboard the band wagon. Its objection is basically that the workers should organize and obtain for themselves rather than depending on state action. But it does almost nothing to organize the unorganized, and its area of control continually shrinks. Meanwhile experience in this and other countries proves conclusively that labor legislation and adjustment machinery tend to strengthen unions rather than to weaken them, and make possible the building of a labor movement. This bill would not lead to the establishment of boards where bargaining already controls wages, so that it would not infringe on the policies or practices of existing unions where unions exist. By opposing its application elsewhere, the A. F. of L. is merely playing the part of the dog in the manger.

The other modification of the original Black bill permits the extension of the working schedule up to forty hours a week for as much as ten weeks a year if extraordinary need exists. Hours boards are provided for, to examine the need of such extension and make the decision. There are undoubtedly industries in which this limited permission of increased seasonal activity is required.

Without these modifications, the thirty-hour-week bill is an empty and possibly dangerous gesture; with them, it becomes a major measure of industrial improvement, and one capable of being administered.

Hitlerism in Middle Europe

EVERYONE has long known that Fascism has been developing in other countries than Italy and Germany. There is a Fascist movement of greater or less strength in practically every country of Central and Eastern Europe; and some of them may have important consequences in the near future. It is perhaps worth while, therefore, to report on the situation in a few of these countries.

In Austria, Herr Dollfuss, the leader of the Christian Socialists, has seized dictatorial power in order to checkmate a possible coup by the Austrian Nazis, excited by Hitler's success in Germany. The Austrian Christian Socialists are hostile to Hitlerism, partly because of their sympathy for the Catholics and partly because the Austrians see in the German Nazi movement another manifestation of Prussianism, which they hate. A union of Germany and Austria today would of course be under Hitlerite auspices and would mean the burial of Austrian Christian Socialism.

There is also the question of Italy. Mussolini opposes political union between Germany and Austria because this threatens Italian influence in the Balkans. Moreover, an extension of the boundaries of the German nation to include Vienna would probably be followed by a vigorous demand that the southern Tyrol, taken by Italy after the War, should be returned to Austria. Dollfuss, as Chancellor of Austria, is a stumbling block in the path of Nazi imperialism. He is therefore *persona grata* at Rome, and the failure of the German mission to Mussolini contrasts with the reported success of Dollfuss' visit.

But although a Central European alliance does

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not seem likely, the spread of the Nazi form of Fascism on the Danube and in the Balkans is almost predictable. Hitlerism has proved itself to be the prototype of capitalist rule in the period of deepening crisis. It is able to furnish the fanaticism necessary to weld the now penniless middle class into a political and military force strong enough to prevent a proletarian revolution. Dollfuss, for example, has been able to forestall National Socialism only by carrying out essentially Fascist tasks. The proletariat has been disarmed, and its military arm, the Schutzbund, has been liquidated by decree. Democracy is being abolished in Austria. The National Council is being deprived of its most important legislative functions, and these will be transferred to the Federal Council as soon as this is remodeled in such a manner as to deprive it of its representative character.

The main problem before Dollfuss is, of course, the disintegrating effect of the crisis on Austrian capitalism. His solution is the establishment of an ironclad economic control and a wage-cutting policy which puts the burden of the depression on the backs of the Austrian workers. Thus, an emergency order was hurriedly issued which sets aside 180 million schillings, a large sum considering the state of the budget, to save the banking system from the imminent collapse with which it was threatened. To balance this, the cost of unemployment insurance is being reduced, and cuts are being made in social insurance. In this case the workers are being called upon to pay a direct subsidy to the bankers. Meanwhile the growing wave of strike struggles in Austria is being met by an anti-strike law which the government is now drafting.

These measures are definitely Fascist. Dollfuss must follow the Hitler road, but the feeble program of Christian Socialism is inadequate for these tasks. There is, for this reason, a daily drift of Christian Socialists into the ranks of the Austrian Nazi party. With this clarification in the ranks of reaction, there is a corresponding clarification in the camp of the working class. The Austrian Social Democratic party refused to resist the disarming of the Schutzbund. It neglected to send delegates to the March conference of the Executive of the Second International, which met only to consider the struggle against Fascism. One may infer that Bauer and the other Social Democratic leaders are following the example of their German colleagues and withdrawing from the International. This is a policy certain to discredit Social Democracy in Austria, where hitherto it had shown more fighting spirit than in Germany. But the Austrian proletariat is not disorganized; it is merely changing its leadership in the struggle against Fascism. The united front of Socialist and Communist workers is already an accomplished fact in Austria. Proletarian fighting fronts are being formed in the factories; serious strike struggles have occurred recently (notably, among the printers in Vienna); a large part of the Socialist military strength remains intact and may soon be used against the Fascists. The question is whether it will be strong enough to checkmate the Nazi palace-revolution which now seems imminent.

Fascism as a political and military mass movement is spreading rapidly in Central Europe. The Nazi party of Czechoslovakia has grown sufficiently to force the government, in the interests of continued French friendship, to use repressive measures. In Rumania, there are already two Fascist parties in existence, and Fascist groups assisted the police in suppressing a recent Bucharest strike. The most important element in the situation, however, is the rise of the Nazi party in Dantzig. Should the National Socialists win the coming elections, a Polish "preventive" seizure of Dantzig is likely, according to some acute observers of European affairs. Faced with grave economic problems, the Pilsudski dictatorship has, as its sole prop, the bayonet. It is now caught between the Scylla of Hitler and the Charybdis of the U.S.S.R., and has chosen to adopt a far more friendly attitude toward the latter. The rise of Hitlerism has thus not only upset the traditional apple carts of post-war European diplomacy, but is creating a situation of the utmost instability and tension with the maximum number of possible solutions. Not the least likely of these is war originating in the Polish Corridor.

As we have suggested, despite the survival of the Mussolini regime in Italy for more than a decade, it remains true that Fascism is an unstable type of government. It is unstable because it is based finally upon force and may be overthrown by any other force, internal or external, which grows strong enough to challenge its power. Meantime, despite the similarity of the aims of Fascist parties in one country or another, the super-nationalism of the Fascist philosophy makes the danger of war very great. In the long run, Fascism is no more capable of solving the economic ills with which Europe is afflicted today than is any other type of capitalistic organization. The harder times grow, the more fiercely must the Fascist leaders struggle to deceive the people as to their true condition. It is a vicious circle which is likely to be broken by catastrophe.

THE NEW REPUBLIC

PUBLISHED WEEKLY AND COPYRIGHT, 1933, IN THE U. S., BY THE NEW REPUBLIC, INC., 421 WEST 21ST STREET, NEW YORK CITY. BRUCE BLIVEN, PRESIDENT. DANIEL MEBANE, TREASURER.

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Gold, Prices and Inflation

This article on inflation as a panacea was written in March. Proof reaches me as the United States is going off the gold standard, the opening move toward putting the panacea into effect. Two reasons have been advanced for the suspension of gold payments: one, that the Roosevelt administration wishes to build up "trading capital" for the coming international conferences, and two, that the closed banks cannot be reopened on a gold basis. Whatever the reasons for suspension of gold, the theoretical aspects of the article, I believe, hold true. Devaluation, remonetization of silver and other schemes for enlarging the basis of the currency cannot work to any relatively permanent inflationary ends unless they are coupled with government spending to force the added money into circulation. As for the foreign-exchange aspects, when the gambling flurries are over, the dollar cannot sink very far until the government starts printing fiat money or embarks on a spending program to put purchasing power into the hands of the unemployed. For the balance of foreign trade is still in our favor, and demands for American bills of exchange must continue to support the dollar market as long as our exports exceed our imports. Moreover, our gold reserve remains the same, irrespective of whether we are on the gold standard or not; we can always "resume," which constitutes a threat to "bears." Debt payments owing to America, too, must create a necessity for gold shipments into this country, or purchase of dollars for settlement. Moreover, there is what Charles Merz calls the "automatic sprinkler" of commodity surpluses. These, thrown upon any rising domestic market, must inevitably work to keep prices from rising until government spending forces additional currency into circulation. Incidentally, the International Economic Research Bureau reports that the expectation of American wheat shortages is likely to prove delusive. The recent wheat rise in the Chicago grain market is due to "subnormal soil conditions," but "it is important to note that the country as a whole has enjoyed this spring one of the rainiest seasons in many years . . . large amounts of precipitation in the spring months have been followed for the most part by large crop production."—JOHN CHAMBERLAIN.

THE OBJECTS of inflation are two: to put more money, whether bank checks and drafts or currency, into circulation, and to instigate a rise in prices. Nearly everyone, even people on fixed incomes, is in favor of the second object. It is over the first that the quarrel is hot and scurrilous. Those who plump for simple inflation of the currency invariably find themselves opposed by those who wish any coming inflation to be "natural"—*i. e.*, an expansion of the use of bank credit which is a concomitant of improved business conditions and rising prices. A rise in prices is, seemingly, bad medicine for those on fixed incomes. But "hard-money" creditors are now faced with a choice of debtor default or a rise in prices which would enable debtors to make enough money to pay their creditors. Creditors would hardly hesitate about choosing the latter alternative. Fixed incomes at the bottom of a depression are in danger of disappearing altogether unless there is a general improvement of the condition of the country.

The mechanism by which an inflation of prices would make the burden of fixed debt less onerous is simple. Farmers, producers of raw materials, factory owners, would, under rising prices, discover they could make a profit on their goods, meet such items as mortgage payments and still have something left over. They would have more money to spend, and they would tend to spend it freely as prices continued to rise. They would spend today in order not to have to spend more tomorrow for the same goods. Merchants would stock their shelves ahead of time, knowing they would have to pay more in the future for the same stock. Wages would fail to keep pace with a rise in prices. But more men would be put back to work; the total purchasing power of the community would thus be increased. And once the rise had gone far enough, strikes could be counted upon to increase wages.

The rise in prices that inflation is designed to effect is, then, a pleasant thing for the community as a whole. But the danger is that it can go too far. In Germany, for example, the 1923 inflation brought the average price level up to a point three million times as high as that of 1914. But the rise in prices wiped out the German middle classes by making their titles to wealth practically worthless. Inflation carried to this point makes insurance policies, bond coupons, bank deposits, mortgages, etc., merely worth the paper they are printed on.

Granted that a "controlled" inflation, or a policy of "reflation," is a desirable thing, what methods are there by which it can be effected? There is, first of all, the method of credit inflation. This is brought about when business or the government borrows money at the banks. The borrowing, of course, is turned into spending, purchasing power flows out into the business structure and prices rise. Money is put into circulation when those who sell to the borrowers cash their drafts.

But it is much easier to argue for a credit inflation than to put it into effect. Ever since the passage of the Glass-Steagall Act early in 1932, the Federal Reserve Banks have attempted to stimulate this sort of inflation. By buying govern-

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ment securities in the open market from member banks, the Federal Reserve has enabled the members to "get liquid," *i. e.*, to increase the metal base upon which they are entitled to issue money or credit to borrowers. But either because business men had no prospects upon which to borrow, no good collateral to offer, or because the banks were afraid to take a chance, very little happened. The basis for a credit expansion was there; but no one dared to expand. Seemingly, credit expansion must wait upon markets available for the tapping.

If the way to raising prices by inflation of credit is closed until accident or design (such as government borrowing for public works) creates markets, there remains the dodge of currency inflation. There is, of course, the alternative to inflation, which is the way of the radical deflationist. This is the way of increased human misery. It may be true that "one price level is as good as another," but it is getting to the lower level that hurts. For complete deflation means no pegging of wages, no social services when falling prices preclude them. The way of complete deflation looks superficially attractive when one realizes that farm mortgages must be scaled down, but it also means that banks, bond and mortage-guarantee companies, and insurance companies, must all take their losses, too. This means more bank failures. Depositors whose money has been loaned to those who cannot meet their obligations to the bank must take their percentage of the rap. And the contraction of earnings and savings would be reflected, of course, in more unemployment, still lower wages, higher taxes, the vicious spiral continuing towards the final circle of our depression hell.

Clearly, some form of inflation is ostensibly preferable to all this. There have been several methods proposed, besides that of credit inflation. A House of Representatives subcommittee has reported a plan involving the purchase of 40 million ounces of silver each month as a basis for new currency. There are those who advocate devaluation of the dollar, some such proposal as cutting the amount of gold behind each dollar bill from twenty-three to fifteen grains of pure gold. (This would expand the basis for currency.) Stamped scrip has its numerous advocates, from Professor Irving Fisher on down. Senator Norris has been calling for "bond money" to be issued in connection with a public-works program. Professor Willford I. King has asked for the issue of $2,000 million in fiat currency to redeem outstanding bonds of the federal government.

Devaluation has its proponents in high places. Secretary of Agriculture Wallace, for example, is for cheapening of the dollar, for "controlled" inflation by cutting the grains of gold behind the dollar from twenty-three to fifteen. This would, automatically, increase the gold basis of our currency, but it would have no effect on business unless some way were found to couple it with government borrowing and spending. The Federal Reserve, by itself, could do nothing, for a Reserve bank cannot issue a dollar of Reserve notes unless some member bank applies for it and puts up collateral. And, as we have seen, there is sufficient basis for credit in our Federal Reserve member banks today without adding to it.

The classical argument for devaluation, however, does not necessarily depend on any rise in the domestic price level as such. Prices would rise after devaluation, they say, simply because our basic commodity prices—of wheat, cotton, copper, silver, oil—are international. They manipulate their proof this way: an Englishman in Chicago changing his pound note into a draft worth roughly $3.42 in gold is entitled (or was, before the gold embargo went into effect on March 4) to the amount of wheat which is worth 3.42 times twenty-three grains of gold at current market prices. (This argument is, at the moment, somewhat irrelevant, for both England and America have put obstacles in the way of procuring the gold on which the exchange is, ultimately, based.) Now if (so the classical argument continues) you cut the number of grains in the dollar to one-half of twenty-three, the price of wheat, remaining the same in terms of gold, will double in terms of dollars.

But this argument overlooks one salient factor. International trade is not actually done on a gold basis, but on a bill-of-exchange basis. The price of wheat rises and falls internationally with the supply of and demand for bills of exchange. Gold is only used to settle balances between central banks. If the United States simply devaluated the dollar without pumping currency into circulation, it would not mean that any more dollars were available for exchange into pounds. The supply of dollars would remain the same. There is always, of course, a gambler's rush, at the suggestion of devaluation, to change dollars into pounds in anticipation of changed relationships between the two currencies, but what ultimate effect this may have on the price of international commodities no one knows.

And even if the price of wheat tended to double with devaluation, as the classicists argue, other factors would not remain equal. It is quixotic to assume that England (whose Liverpool exchange sets the world price of wheat) would permit a sudden export of bills of exchange, and a sudden import of wheat from an area whose currency had been allowed to depreciate. For England has only recently attained a hard-won favorable balance of international payments. Assuming for the moment that she would permit shipments of gold (which she is sedulously trying to gather as backing for the pound) in ultimate payment to the United States for wheat, the sudden cheapening of our dollar would upset that balance. Reprisals would be swift. These retaliations would take the form of tariffs and import quotas, of Empire preference. In defense of her gold stocks, England would let in Canadian and Australian wheat to the exclusion of American. We should be no better off. And if

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our commodity price level had started to rise in terms of domestic paper dollars, it would soon commence to fall again. For the commodity surplus, dumped on a rising market, would tend to keep the dollar price even, and cut the gold price in two.

So the dice seem loaded against devaluation that isn't coupled with government spending. And devaluation isn't needed at present as an adjunct to government spending. The government can spend until its limit of borrowing and taxing is reached; then, if it finds it cannot raise any more money with the present currency base, it can devaluate to increase the base. Devaluation is, in this light, an end-result, not a means of accomplishment.

The government could, of course, achieve inflation simply by paying its bills in fiat money, unbacked by gold. Fiat money is unredeemable. A certain amount of it would be tolerated as long as people would trust the banks to accept it; fiat money, to be of any use, must be actually convertible into other money, even if it is not legally so. But it would be senseless to issue fiat money as long as the government credit is good. Business men don't need fiat money now; they need markets. The argument can be raised that the government should pay out fiat money to increase the circulating medium. But bank credit constitutes most of our circulating power, and it would take a terrific amount of new currency to have any effect on the price level. In any case, the velocity of circulation counts even more than the amount of currency outstanding. This is proved, pragmatically, by looking at the figures for currency in circulation recently as compared to currency in circulation in 1929. We have had, during the past year, a fluctuating total of from $1,000 to $3,000 million more in circulation, according to figures of The Annalist, than we had in circulation at the height of the boom. Only its velocity of exchange has slowed down to the congealing point. Our volume of bank credit, on the other hand, had decreased, before the advent of the Roosevelt administration, by some $12,000 million.

If enough fiat money were to be issued to make up for this shrinkage in the use of bank credit, the inflation might get out of hand, as it did in Germany. Of course, there is the French example of the mid-twenties to show that an inflation can be controlled, and a monetary unit stabilized at a new level. The German government was forced into inflation because it had an adverse balance of international payments. Imports exceeded exports, which, coupled with reparations, meant that gold was constantly flowing out of the country. German ships had been confiscated, which meant no earnings in carrying charges. The result was that the basis for borrowing was constantly shrinking, and finally the government had to start printing paper to pay its obligations. The more it printed, the more the cost of government went up, and the more it felt obliged to print. The result was complete debauch.

The French, on the other hand, having a favorable balance of international payments, could afford to set aside a certain amount of gold with which to buy foreign exchange and, in turn, francs in foreign markets, as the franc depreciated. This clever balancing scheme of Poincaré's had the effect of counteracting the "flight from the franc," and when the time came to stabilize the franc at a lower level France had sufficient gold for the stabilization. The United States, having a favorable balance of international payments in 1933, could undoubtedly control any moderate inflation. Huey Long advocates inflation simply to bring our currency down to the level of foreign currencies in order to keep our balance of payments intact and let home manufacturers capture the market. But an easier way of creating a world price level would be to let gold flow out of the country freely, and then, by the international action eventually made necessary, to stabilize on a level agreeable to all.

The Longs and the Wheelers wish to achieve inflation by remonetization of silver. But the same arguments that hold against simple devaluation are operative here. Silver, merely added to bank reserves, would mean nothing except as a basis of credit expansion. And our gold basis is sufficient for any coming expansion. There is no way of pumping silver into circulation except by handing its note equivalents to silver miners, who do not represent very much spending power in relation to the whole people. Stabilized silver, it is true, would attract Chinese buying, but could the Orient purchase enough without debauching our currency? The silver advocates have yet to present any conclusive figures. Gresham's law, that cheap money drives out good, still operates to make a change to bimetalism at any arbitrary ratio in any one country hazardous unless that country is on a "managed-currency" basis. And if the country in question has a managed currency, it hardly needs silver. Management is supposed to manage, irrespective of metals. International action to admit a certain percentage of silver in relation to gold to the reserves of all central banks is, of course, another story.

There remain the "trick" methods of inflation—stamped scrip and bond money. Stamped scrip differs from ordinary scrip used by barter organizations in that it provides for ultimate redemption in standard dollars. It is, in other words, self-liquidating. A typical plan provides for scrip issued in one-dollar denominations, with space on the back for thirty-six three-cent stamps. Full redemption comes when $1.08 in stamps is plastered on the back. The overcharge pays for costs of printing.

Hawarden, Iowa, a town of 2,400 inhabitants, has made use of this type of scrip, as have some California towns. The Hawarden scrip has actually reduced unemployment and speeded consumption of goods through 1932 and 1933. Hawarden merchants, who pay the tax in large part, are reputedly for the scrip, inasmuch as it has reduced the burden

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of charity. Professor Fisher prefers the "dated" type of scrip to that used in Hawarden. The advantage of the sort of scrip that demands the affixing of a stamp once a week is that it penalizes hoarding. The holder of the scrip is quick to rid himself of it before stamping day rolls around, and this alacrity greatly increases velocity of circulation. Used in small amounts, stamped scrip undoubtedly —as is proved by the experience of Woergl, Austria, and Schwanenkirchen, Bavaria—serves as a catalytic agent to increase trade. Used universally, it would drive all unencumbered money into hiding and would end the normal processes of borrowing and lending. Bonds could not be sold for money that depreciates month by month, nor could interest be paid in such money, either.

Whether government-issued scrip would work to pull us out of the depression with lightning speed, as Professor Fisher claims, or whether it can be issued in sufficient volume by the American Bankers' Association, as advocated by J. B. N. Cardoza, to the unemployed in exchange for services, is moot. The main argument against "dated" scrip of the high-velocity type is that it imposes a heavy tax on banks and merchants holding it on stamp day. The banks, as a matter of fact, would pay most of the tax. For, as stamp day approached, there would be a rush to deposit scrip, and the banks would get rid of deposited money only by stamping it. Stamped scrip, incidentally, amounts to a hidden sales tax, with the government collecting three cents on each dollar sale negotiated in it on tax day.

Bond money is really not money, although it would circulate as such. In effect, it is a tax on the future earning capacity of the country. It was part of Coxey's propaganda against bankers in the nineties. Previous to his famous march on Washington in 1894, Coxey worked out the proposal of a non-interest-bearing-bond bill, which would authorize any state, county or township that needed public improvements to issue non-interest-bearing bonds to the extent of half the assessed value of the property within the area's limits. The bonds were to be deposited with the Secretary of the Treasury in exchange for legal-tender notes. The principal was to be paid for by taxes, and the legal tender retired as the instalments went into the Treasury. The scheme was impractical at the time, for it would have added to the "endless chain" of legal tender dipping gold notes and gold dollars from the Treasury. Today, it sounds impractical for a different reason: the "assessed value" of the property of most towns cannot support anything, much less bond money.

As advocated by Ethel Howardell and Senator Norris, bond money would be used to build up to $5,000 million in toll bridges, subways, electric-power plants. The virtue of this scheme resides in its avoidance of the usual costs of bond flotation; there would be "no toll to bankers" of ten or more dollars on every hundred spent. There would be no interest charges to increase the government debt. Workers and contractors would simply be paid in "baby" dollar bonds to be retired out of future earnings. The limitation of the scheme is that the prospective earning power of new toll bridges and subways is not very large. Yet bond money might be worth a whirl as part of a larger government-spending program.

JOHN CHAMBERLAIN.

This is the fourth of a series of articles by Mr. Chamberlain. The fifth, to appear soon, will discuss the Douglas Social Credit Plan.—THE EDITORS.

Should We Deflate Labor?

"WHAT THIS country needs is a few good strikes." The speaker was not a labor agitator; he was the personnel manager of one of the largest corporations in America—a company frankly opposed not only to trade unionism, but even to employee-representation schemes of all sorts. His remark was provoked by a movement which threatens to bring a new phase in the deflation of labor—a movement which threatens to undermine standards of wages and hours, not where they have always been low, but in industries such as rubber, automobiles and others, where they have been relatively high.

An outstanding characteristic of labor policy during this depression has been the spreading of work —or the spreading of unemployment, as some people prefer to call it. The difference in this respect between this depression and that of 1921 is indicated by comparing the first fourteen months of the two depressions, two periods in which the drop in factory output was almost the same.

	June, 1920 to August, 1921	June, 1929 to August, 1930
Drop in factory output.....	28.3 percent	30.7 percent
Drop in average hours worked per week by employees in manufacturing.....	9.2 percent	12.4 percent
Drop in employees on factory pay rolls.....	26.6 percent	16.7 percent

In the first period the drop in production was met mainly by lay-offs; in the second, the drop in working hours per week was almost as large as the drop in employees.

Spreading work has had the important result of retarding wage cuts and of making them smaller than they otherwise would be. It has not, of course,

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prevented cuts altogether and it has not been the only influence which has tended to preserve wage rates. Nevertheless it has probably been the most important single brake upon wage cutting. Its effect is well illustrated by the experience of a large manufacturer of chemicals, who, in the depression of 1921, laid off all who could be spared and made three wage reductions of 10 percent each. During the present depression, however, the company has dismissed only short-service and inefficient employees and has made only one wage cut of 10 percent. Asked why more cuts had not been made, the personnel director replied: "Our base rates would not stand it—not with our people working only two, three or four days a week." "The average earnings of our employees are sixty-seven cents an hour," said the manager of a large rubber company, "but our men are only working from eighteen to twenty-four hours a week. We cannot think of cutting wages any lower as long as our men are getting so little work." That wage cuts have come far more slowly than in the past is indicated by the movement of hourly earnings, the best index of wage rates. In the depression of 1920-1921, the hourly earnings of factory workers (National Industrial Conference Board figures) dropped 16 percent between June, 1920, and August, 1921; in August, 1930, on the other hand, they were slightly above June, 1929. By the end of 1930, hourly earnings in manufacturing had fallen less than 2 per cent below the level of 1929, and by the end of 1931 less than 10 percent below. In fact, not until after three years of the present depression did hourly earnings of factory workers drop by as large a percentage as they did in the space of thirteen months following June, 1920.

As a rule, spreading work has been carried furthest in the larger plants. This has given many small concerns an important advantage over their large rivals. The plants which have reduced forces but not hours have been able to purge their organizations more completely of the less efficient employees. Moreover, the fact that their curtailed forces have been working the usual number of hours per week has enabled the managements to cut wages drastically. As the depression has gone from bad to worse, the advantage of the companies which have not spread work has increased. The reason is obvious. While the very drop in business has limited both the willingness and the ability of managements which are spreading work to cut wages, it has encouraged the concerns which keep only as many men as they can supply with full-time work to reduce rates still more in the hope of getting a larger slice of the shrinking volume of business. As a result, after three years of depression, wage cuts in many plants, particularly in the small ones, have gone so far that these concerns are paying scarcely half as much per hour as their competitors who are spreading work. In the rubber industry, where the disparity between large and small plants has become great, one finds some large plants buying goods from small competitors instead of making them themselves.

It is this steadily widening disadvantage of the plants which have been spreading work that now threatens to precipitate a new phase in the deflation of labor. More and more of the companies which up to now have spread work and have made relatively small wage cuts are giving serious consideration to the advisability of abandoning spreading work in order to reduce wages. In January a leading automobile company cut its force to the minimum needed to preserve the customary degree of specialization in its operations and simultaneously reduced wages. In the oil industry, where spreading work has been widely practised, some large companies are giving consideration to the possibility of reducing labor costs by adopting the ten-hour day, seven days a week. The personnel manager of a manufacturing plant in the Middle West said: "Further spiraling down of hourly rates is about the last thing this country can stand, but the low wages in the plants that are not sharing work almost compel other organizations to lay off men and cut rates. We could very well dispense with 40 percent of our present employees and increase efficiency materially. We don't think it fair to the community to do so."

His last sentence suggests another aspect of the changing attitude toward spreading work. Unless proper precautions are taken, there is danger that the relief program of the federal government will encourage lay-offs and rate cuts. As long as relief funds came almost entirely from the local community, large enterprises felt an obligation to keep men off the relief rolls by giving them work. As local resources become exhausted and a larger share of relief comes from the state and the federal government, this interest in keeping down the local relief load naturally weakens. In fact many managers declare, with some heat, that they have been "holding the bag" for the community. They are looking for an opportunity to escape this burden and the entrance of the federal government into the relief field on a larger scale may furnish them with the excuse for which they have been looking to make large lay-offs. One may predict without hesitation that wage cuts would soon follow a substantial increase in working hours.

Whether the attempts to maintain wages which have been characteristic of this depression have been wise or unwise, whether they have made the depression longer and worse, whether it would be desirable to repeat this policy during future depressions, are matters of controversy. Probably the wage policy to which it is wise for a country during a depression to cling depends in large measure upon what other policies are simultaneously pursued. But regardless of these questions, there can be little doubt that further deflation of wages on a large scale at the present moment would

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be a calamity of first magnitude. (This, of course, does not mean that there are no spots where it would be wise to let wages fall.) The government is now attempting to prepare the ground for an expansion of buying and a rise in prices. Nothing would jeopardize the success of the government's program more completely than to have present prices seriously undermined by a sudden outbreak of wide and drastic wage cutting.

The danger of this calamity makes it plain that the control of working hours should be an integral part of both the federal government's relief program and its program for economic recovery. Perhaps by the time this appears in print the Black Bill, limiting to thirty a week the hours of employees producing goods for interstate commerce, or some substitute for it, will have become law. In the form that it passed the Senate the bill is open to serious objection. Thirty hours may be unnecessarily long for some industries during the off-season. In other industries, where long hours and low wages have become well established, wages may not rise promptly and adequately to a drastic curtailment of hours—in other words, there is danger in compelling a sudden and drastic reduction in hours without establishing some control over wages. Finally, if the administration's plans to revive business are successful, thirty or even thirty-six hours a week would be too short in many industries.

The Secretary of Labor is given the task of granting exemptions where the bill produces harsh results, but such centralized machinery may not provide enough flexibility and with sufficient promptness. A preferable method of providing the necessary control over hours would be to amend the Wagner-Costigan-La Follette bill to empower the federal relief administration for the period of the emergency (that is, for as long as the federal government is disbursing relief) to establish committees in each industry, which, in view of the employment situation in the particular industry, would determine what working hours are reasonable. The control would relate purely to the hours which employees work and not to the hours which plants operate—operation of plants twenty-four hours a day with four six-hour shifts would not be prevented. The committees would have authority to change the maximum from time to time as the situation changed. Their orders would be subject to review by the federal relief administration and would be enforceable by suitable penalties. Such an arrangement could be promptly put into effect; it would be flexible and could be adapted to conditions in different industries and to changes in conditions from time to time.

Doubts have been expressed concerning the constitutionality of the Black Bill or of any other attempt of the federal government to control the hours of work in manufacturing in general. Whether the authority of Congress over interstate commerce permits it permanently to exclude from interstate commerce the products of factories which fail to observe certain labor standards may well be doubted. In the first child-labor case the Supreme Court by a close vote refused to grant such authority to Congress. But the control of hours for the period of an unemployment emergency and as part of a program of unemployment relief presents a different question.

When the federal government is compelled to assume a large share of the relief burden, surely it possesses authority to protect its Treasury against an unreasonable and unnecessary drain. More specifically it must have authority to take appropriate steps to prevent its efforts to give relief from precipitating lay-offs and thus increasing the relief load. If the control of hours is an integral part of the relief program and terminates when the federal government's contributions to local relief cease, there should be no difficulty over the question of authority. But unless an effective method of controlling hours is promptly established, there is grave danger that the government's relief program will cause thousands of men to lose their jobs and other thousands to receive wage cuts, and will jeopardize the success of the government's efforts to raise prices and to stimulate buying.

SUMNER H. SLICHTER.

Ickes of Chicago

IN APPOINTING Harold L. Ickes as Secretary of the Interior, President Roosevelt has selected almost the only civic leader in Chicago who has consistently fought the corrupt groups of those under and upper worlds which have made Chicago's politics notorious. Ickes began his political career thirty-six years ago when he was a senior in the University of Chicago and when Charles T. Yerkes held both political parties in his pocket and was on the way towards obtaining a fifty-year franchise over Chicago's streets in the manner which Theodore Dreiser celebrated in "The Titan." Ickes then took a furlough from the study of Blackstone to help the independent candidacy for mayor of John Maynard Harlan, the foe of Yerkes and his gray wolves in the city council. Harlan lost, but the vote which he polled helped to embolden the successful candidate, Carter H. Harrison, to take up the struggle against Yerkes and finally to force that gentleman out of the city and into the task of building the London subways. After that contest and his graduation, Ickes went into newspaper work and learned at first hand more about the tie-up of Chicago politics with liquor and vice at the bottom of the social scale and the utilities and big business at the top. From time to time, he emerged to help Harlan in his periodic battles, which always met with defeat, but which prevented the corruptionists from going as far as they hoped.

As the franchises of the street-car lines expired, Ickes took an active part in the battle to conserve the public's interest in them. These hopes were,

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however, largely vitiated by the compromise which Mayor Dunne was induced to make in extending the franchises for twenty years more and in permitting a large amount of water to be solidified into their valuation and also by the decision of the Illinois Supreme Court in the Lobdell case, which virtually made municipal ownership impossible. As Harlan's star set, Ickes' attention was drawn to the extraordinarily effective work which the young college professor, Charles E. Merriam, was doing in the city council, and there thus began a personal and political friendship which has lasted for a quarter of a century. Ickes ran Merriam for mayor in 1911, when the political future of Chicago hung in the balance. Had Merriam won, the record of the city might have been very different during the last twenty years. But he lost by the narrow margin of 18,000 votes to Harrison, who seemed to have exhausted all of his vital energies in his fight with Yerkes and who had given up combatting the growing forces of civic dissolution. Roger Sullivan, who had profited from the Ogden gas steal, and who was the political agent of the utilities, came into control of the Democratic party in 1912, while Lorimer and Busse were the two leading Republican leaders.

Despairing of the Illinois Republicans' and Democrats' ever becoming decent, Ickes then threw himself heart and soul into the Progressive movement of 1912 and was the effective state leader of that party during the next four years. That movement started a warm friendship with Gifford Pinchot, Hiram Johnson and other leading Progressives. Stocky like his hero Roosevelt, Ickes as well as Johnson, William Allen White and Henry J. Allen, developed a bellicose thrust of the jaw, an occasional baring of the teeth and a mordant power of expletive and vituperation. Even the most hardened corruptionists in Chicago have always feared Ickes' tongue and pen and have hesitated to cross his path.

As the Progressive movement began to collapse and the Medill McCormicks began to sneak back into the Republican ranks, Merriam succeeded in getting Donald Richberg, Ickes' brilliant partner, appointed attorney for the city in the famous gas case. William Hale Thompson was mayor and had appointed as corporation counsel Samuel A. Ettelson, then the attorney for Samuel Insull, but now the sputtering enemy of the latter. Insull, fast rising to power, had come to control the local gas as well as electric company. The fight which Richberg made in the face of threats, shadowing, attempted frame-ups and terrific pressure, and which he has partially told in his "The Tents of the Mighty," was truly heroic. It marks him as one of the great figures of Chicago, but one who, like most real heroes, is but little appreciated by the mass of the people for whom he fought. Insull, after threatening to attack the good name of Richberg's dead father, appeared one day with an offer to pay Ickes a large retainer. Insull had made and was to make similar offers to many leading Chicagoans, but he then suffered what must surely have been the unique experience of his life in an excoriating refusal.

In the years which followed, Insull extended his hold in a fashion that would have turned Yerkes green with envy. One by one the banks were brought into loyal obedience to him. The newspapers of the city, save for the rumblings of the Hearst press, were laudatory. Through Ettelson and his campaign aid the Thompson administration was under the magnate's thumb, while the Deneen organization offered no menace. Playing politically safe as ever, he swept within his power the Democratic organization, and George Brennan was glad to accept his contributions. The Illinois Commerce Commission was his creature and, as all the world knows, he financed its chairman, Frank L. Smith, in his candidacy for Senator with an outright gift of $125,000 and with large indirect contributions. He was thus protected against any serious reduction in rates. Most of the leading business men and politicians were in fact receiving favors from Insull, who was apparently making them all rich and whose will it was treason to cross. Many of the early reformers went over to Insull and were glad to accept his retainers and to wear, more or less surreptitiously, his collar.

Not so with Ickes. He fought on. As the trusted confidant of Dever, the one decent, although lethargic, mayor the city has had in recent times, he tried to get a fair settlement of the traction question as those franchises were again expiring. This failed from a combination of circumstances which is too long to narrate here. Then, with the reëlection of Thompson in 1927, Insull started anew his program to consolidate the surface lines with his elevated properties and to run the combined lines under his management. Bills were introduced and passed through a docile and well greased legislature permitting the city to grant what was in effect a perpetual franchise and fixing a valuation upon the combined lines which, from the studies of Milo R. Maltbie and others, was at least $100 million more than that which any reputable appraisal would have set. All the business and political forces in the city were in full swing behind this program, and Ickes was one of the few men who had the courage again to take the field against Insull, who by this time was at the height of his power. He became the leader of the People's Traction League which, with almost no money, fought the Goliath single-handed on the unfair franchise, but which, unlike David, found that courage was not enough and went down in defeat. After the battle was over, the holders of securities in the prosperous surface lines discovered that they had paid dearly for the consolidation, since Insull and his allies had slipped the securities of his nonpaying elevated company into a prior position with regard to earnings in the new consolidated com-

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pany. He was in effect seeking to siphon the earnings of the surface lines into the almost bankrupt treasury of the elevated.

In the last year Ickes again joined the forces of those who were attempting to get utility rates reduced and the shameful misuse of funds by Insull prevented. Even though Insull was trembling on the eve of his fall, it was still treason to challenge his control or to upset the apple cart of his heirs to power. In a stormy session last spring before the Illinois Commerce Commission, when that body was trying to becloud the issue by raising the Red scare against an organization which was probing the Insull mess, Ickes burst out in righteous indignation and gave that body an unprecedented tongue lashing.

Up until his appointment, therefore, Ickes' life had been a long and externally unsuccessful struggle against some of the worst but superficially most respected forces in American life. It had been of necessity a rather lonely life, since a community made up predominantly of go-getters inevitably seeks to punish such a man by slurring comments and hostile isolation. Most men break after a few years of such treatment, to say nothing of over thirty years of it. That Ickes has come through it with his fighting spirit unsapped is due not merely to his private means but, in a far greater degree, to his wife and to his hobbies. Mrs. Ickes has herself the zeal of a crusader, and after serving as the ablest and most progressive member of the Board of Trustees of the University of Illinois, she entered the state legislature, where she has been one of its most useful members. Through Mrs. Ickes also has come a warm and friendly interest in the Indians. The Ickes have a place near Taos, New Mexico, where they have been going for years and where they have come intimately to know the Indian life of the Southwest. It will be a new experience, therefore, for Indian affairs to be supervised by a man who knows something about them. The final preserver of Ickes' spirit has been his garden. When Chicago politics became too disheartening, he would turn to his beloved dahlias. He might not be able to clean up Chicago, but he could grow the best dahlias in the Middle West, and in digging and planting he found Candide's advice good.

Ever since Ickes has been appointed, he must figuratively have been rubbing his eyes in amazement at seeing himself, the proverbial champion of lost political causes, at last in the seats of the mighty. American national politics has indeed taken a turn for the better in putting this patient champion of the under-dog in a position where he can protect the nation at Muscle Shoals, Boulder Dam, the Columbia River and in the public domain. We may be sure that with Ickes as Secretary of the Interior, the rights of the public in the natural resources of the nation will be fostered in every possible way. PAUL H. DOUGLAS.

Washington Notes

Off the Gold Exchange Standard—Mr. Lamont Is Helpful—The World Conference—Mr. Woodin's Somersault

MR. Roosevelt's definite step away from the gold standard, through the embargo method, followed so swiftly by his inflation program, has completely overshadowed everything else for the past week. It is no exaggeration to say, as one slightly excited correspondent did, that "the repercussions rang around the world." The ultimate effect of the inflationary processes provided and the extent to which they will be used by Mr. Roosevelt are, I think, two things of which at this moment neither he nor any other man is certain. Nevertheless, despite portentous predictions of the reactionary Republican group, it is generally agreed that both steps were necessary and inevitable.

The reaction in various quarters is interesting and significant. For instance, the way in which the J. P. Morgan endorsement of the gold embargo was received—a most carefully planned and in no way spontaneous endorsement, I may say—had in it elements of humor. It terribly cramped the style of the opposition here, all prepared to bellow about the sacred nature of the gold standard. By the time the Mills-Reed statement was released, most of the bigger banks had followed the Morgan lead and agreed that the move was wise. On the other hand, the progressive statesmen in Washington, who had long disputed the soundness and sanctity of a rigid adherence to gold, were chilled at Mr. Morgan's declaration. At once they thought there must be a catch in it somewhere, sniffed suspiciously at the pronouncement, although in fact it was not only innocent but helpful. However, that's what it is to have built up a reputation. I think it worth stating clearly that the Morgan statement was really a Lamont statement, and that Mr. Thomas Lamont not only does the thinking of the Morgan firm on public matters, but is not without his White House contact, none the less close for being slightly indirect.

One amazing thing to me about the inflation amendment was the generally favorable reception it had from the conservative press, to which the mere word has been anathema and the gold standard has been a fetish. Perhaps, "favorable" is too strong a word and it would be more accurate to say "lack of excited hostility." Beyond question, this was largely due to ignorance of what is actually going to be done, uncertainty as to whether the effect may not be beneficial, plus alarm lest the boat be upset by a fight. It is a curious and most unprecedented situation, which has enabled Mr. Roosevelt practically to remake the government before our eyes in six weeks' time and embark in a big way upon the oft-mentioned "uncharted seas," without any effective outcry from any quarter. Actually, there are phases of the present situation which are almost unbelievable, and, I repeat, no one—Mr. Roosevelt or anyone else—knows whether we shall win or lose, or will know for months to come. For example, take the conflicting views of the international political specialists concerning the effect upon the World Conference of going off gold. One school believes that the conference has been wrecked in advance; the other

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school is convinced that Roosevelt has put America in a great trading position, the outcome of which will be international currency stabilization. One thing is certain—the visiting statesmen from England and France were deeply disturbed by the developments that occurred just before they landed, and had to do some rapid mental adjusting.

For the balance of this month and part of the next it is likely that "international coöperation" will overshadow "domestic emergency" as an editorial theme and congressional topic. Before this piece is printed, Prime Minister MacDonald and ex-Premier Herriot will have arrived and the procession of the other foreign representatives whom we have invited to Washington for a preliminary discussion of general economic matters prior to the World Conference in London will all have started in our direction.

It is interesting, I think, that the World Economic Conference, in which a few weeks ago there was so little interest and concern not only in Congress but among the leading figures of the administration, should seem so overwhelmingly important. I am violating no confidence and revealing nothing not quite well known in stating that when Mr. Roosevelt became President he and his advisers had extremely hazy notions as to what the conference was about and no plan of any sort for dealing with it. The more candid among the White House advisers do not hesitate, privately, to admit that even now. The fact is that just before inauguration there were a few who felt that the conference was completely unnecessary. They were inclined to think that Mr. Hoover had no business to accept the invitation to attend, when it was quite clear that he and his administration would be out long before the conference assembled; that the thing for this nation to do was to devote itself to the pressing problems at home and divorce itself from thought of foreign affairs; that it would be better, in fact, if the conference were called off altogether.

A few associates close to the President took the old hard-boiled international-publicist point of view, that no international conference yet held had really accomplished anything, and there was, therefore, not a ghost of a reason for believing that the one now proposed would in any way differ from its numerous and futile predecessors. That this was the attitude of the Roosevelt administration toward the World Conference early in March is well known to those who were in position to get accurate information. The principal fellows around Mr. Roosevelt were frankly bored by the World Economic Conference, did not want to talk about it and regarded it as a perfunctory performance.

This feeling fitted in with Roosevelt's campaign denial of Hoover's statement that this was a world depression and curable only by worldwide economic adjustments and coöperation. The new administration advisers were unquestionably colored in their attitude toward the conference by the campaign speeches of the candidate and it found no favor in their eyes. But all that is changed now. The education of the administration has been as swift as it has been complete. Today the President and his "close friends" regard the conference as offering perhaps the greatest opportunity he has to enact a program for recovery that will be truly effective and not so obviously incomplete as to fall far short of the goal.

As they now look upon it, the World Conference presents the great chance for effecting international agreements concerning currency, without which neither the farm-relief bill nor anything else can be genuinely effective. Only by international agreements can the flexibility as well as the stability of our currency be ensured and our financial structure adjusted to the inexorable economic facts which world conditions force us to confront.

The changed attitude of the new Secretary of the Treasury, Mr. Woodin, on the depositors-insurance feature of the new Glass banking bill caused much resentment and confusion here last week. As I get the story, which Mr. Woodin says is not true, he was all for the insurance feature before he went to New York, and violently against it when he returned. The somewhat unfriendly explanation offered for his change of position is that the New York banking group with which he is in touch convinced him that not only was the insurance feature unworkable but that, if it were put in, he would have great difficulty in absorbing the bond issues planned for public works to relieve mortgage and unemployment distress.

I think that anyone who examines the facts can appreciate the difficulties of Mr. Woodin's position. He has to reconcile a somewhat radical administration financial program with the reactionary bankers upon whom so much of the Treasury financing depends. It is not an easy task, but he will not be helped in either direction, I think, in sudden about-faces such as he executed on this measure, unaccompanied by convincing reasons.

T. R. B.

Washington.

It's Fun to Be Fooled

How the Van Sweringens Did It—The Gospel According to Myron—Monuments to Incompetence

A CHOICE morsel of corporate finance comes to the surface in one of those annual corporation reports which the business world is now scanning so eagerly. It is the report of the Allegheny Corporation—the master holding company of those two boys, O. P. and M. J. Van Sweringen, the Cleveland realtors who set up as railroad Napoleons on a big scale. It is through the Allegheny Corporation that they controlled the Missouri-Pacific, the Erie, the Nickel Plate, Pere Marquette, Chesapeake and Ohio, and a whole flock of lesser lines. The Missouri-Pacific is now in bankruptcy.

Mr. O. P. Van Sweringen, in making his annual report for the Allegheny Corporation, let out an apparently harmless bit of information which, upon inquiry, turns out to be most interesting. So interesting, in fact, that the Senate Committee now investigating Wall Street would do well to extend its search and look into the affairs of the Van Sweringens. These brothers have fabricated a holding-company web over a vast railroad empire which is as complicated, as highly pyramided, as heterogeneous and as anti-social as anything to be found in the utility field.

Out in St. Joseph, Missouri, where stockyards abound,

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the Swift family owned a mess of little railroads and terminal companies and real-estate development concerns. In 1929 the Van Sweringens decided that these properties should be taken over by the Missouri-Pacific (MOP) Railroad, which they controlled. In a land of simpler people this would be accomplished very directly. The Swift family would sell their stocks in the companies to the MOP. But not in America—not on your life! We are far too smart to do things in such a simple way. If we wish to add two and two, we first split the innocent integer "two" into a set of compound fractions. Then we add the fractions. The methodology, as Mr. Howard Scott would say, has its uses. Two and two added that way sometimes comes out as five or six or even ten.

So the Swifts sold their stocks to the Allegheny Corporation. Then the Allegheny Corporation organized another corporation which they baptized "Terminal Shares, Inc." The Allegheny then sold the stocks to Terminal Shares, Inc. Then Terminal Shares sold them to the MOP. The Allegheny bought them from the Swifts for $19,100,000. They were sold finally to MOP for $20,334,263—which represented cost plus interest.

What were these properties? One was the Union Terminal Railway Company. This is a small switching railway with 9.4 miles of track and a number of spur tracks. It owns three locomotives. It was included in the purchase at $4,300,000. What was it worth? We can only guess from the following facts:

In 1929 this company had road and equipment worth $2,203,773 (an item open to question). Against that stood a bond issue of $625,000 and other liabilities amounting to $1,292,162—$1,917,162 in all. This left just barely enough assets, at these figures, to cover the 5,000 shares of common stock, worth $100 a share, or $500,000. Was this stock worth $100 a share? The company had never paid any dividends. What is more, in some mysterious way, not explained in the statements, it owed matured interest of $1,022,683 on some undisclosed obligation. Imagine a railroad with only $500,000 of stock and $625,000 of bonded indebtedness owing interest equal to the amount of its stock and bonds. Yet the stock of this company was sold to the MOP for $920 a share—$4,300,000 for the $500,000 issue.

There is more. The MOP agreed to pay for the whole amount of securities purchased from the Swifts, totaling $20 million, on the instalment plan—$400,000 every three months. It paid up to the date of bankruptcy $3,200,000. During 1932 the road was paying $400,000 every three months to the corporation which controlled it—$1,600,000 in all. Yet during this time it was borrowing continually from the Reconstruction Finance Corporation. Its loans totaled $20 million. Ought not these amazing operations to be explained? Do they not bring up again the inquiry, how long are we going to permit the corporation laws to be used in these ludicrous ways?

Mr. Myron C. Taylor, head of the United States Steel Corporation, announced last week that "revival has begun."

Here are some other excerpts from the gospels according to the prophet Myron and other United States Steel apostles:

"We face the future with a feeling of assurance, confidence and safety."—Myron, April 22, 1930, meeting of United States Steel stockholders.

"No doubt of the future of American business."—Myron. "If we can get a little more tonnage on present prices we are going to have a reasonably good year."—Farrell, April 21, 1931, meeting.

"We are all hopeful that in the near future we will have more business, so that at next year's meeting we will have more favorable figures to report."—William A. Irvin (new president), April 19, 1932, meeting.

1933 meeting: "Revival has begun."—Myron. The depression is over, but the melody lingers on.

It's fun to be fooled, but it's more fun to know.

Some day some social accountant will make up a balance sheet on this pyramid-building age and include an item showing the high cost of building monuments to the financial miracle men who "made America what she is today." Here's a bit of evidence. Those Cleveland bankers who reared that marvelous banking structure—the Union Trust Company—wanted a temple worthy of themselves. Standing in the dark, closed building last week, a state banking official said to a number of stockholders. "You should have taken one look at this magnificent lobby and known this was no place to put your money."

What he meant can be explained thus. This splendid temple of banking and its twenty-one branch offices in Cleveland cost $20 million. The great Canadian National Bank of Commerce has a fine building as its home office and 635 branches. They cost $15 million. And best of all, they are still open.

JOHN T. FLYNN.

Ten Years' Theatre

FOR FOURTEEN years Mr. Burns Mantle's annual volume or record of the plays of the season has been an invaluable landmark in our theatre. For the ten years before the series began the record feels the lack of such a book as the present.[1] And it will be interesting to see the choice made for each of these ten seasons from that of 1909 on. There is, as was to be expected, a certain soundness in Mr. Mantle's decisions. I cannot always follow his enthusiasms, but I understand perfectly his habit of taking into account what is "of greatest interest to the greatest number of theatre followers." In the introduction he explains too that "Some of the plays were chosen because they were widely approved by the theatre's truest supporters and patrons. Some because they played a part in altering, improving, stimulating or otherwise effecting dramatic trends. Some because they were outstanding examples of good playwriting. Some because they were pretty sure to prove pleasantly, and also sentimentally, reminiscent." I must confess I cannot take so seriously as Mr. Mantle does some of the plays he includes and discusses. That, however, I should gladly agree is nothing against his judgment, nor does it lessen for a moment my sense of the service he now does our drama and our stage with this new volume. The selections year by year from 1909 to 1919 seem

[1] The Best Plays of 1909-1919, by Burns Mantle and Garrison P. Sherwood. New York: Dodd, Mead and Company. 702 pages. $3.

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to me on the whole as good as could have been made. They offer a practical and wise preservation out of our stage material for that time.

For the season of 1909-10 we have Eugene Walter's "The Easiest Way." "It was the first bold denial of the happy ending in modern drama," the editor tells us, "the first deliberate attempt to prove that a play could be unpleasant and still emotionally appealing because of its essential truth and the vitality of its performance." This piece was a Belasco production, with all the care and stage instinct that he could bring to it, and in choosing it he sensed no doubt the change in the air that was due. The fact remains, nevertheless, that this play and everything else of Mr. Walter's was not bold at all except by the most naïve standards, such standards as might hold on Broadway. Long since in serious Continental theatres the points of its technique and appeal had been understood; its problematic values were already stale. It was, however, a shock, in its way. And it was a lesson in things the boys might do if they were simple enough in culture and bold enough in Times Square to venture toward what with dramatists like Ibsen had been a spiritual conviction that obliged the dramatist to say certain things and persuaded him that audiences had thoughts, reflections and contacts with the intelligent life of their epoch. "The Easiest Way" went, as they say, over; it had a child's mentality but a certain novelty in moral endings: the heroine, in a very net of weakness, messed up her fortunes with both her keeper from Wall Street and her true lover from the great open spaces of the West, so that at the last curtain she is just going down and down, in the simplest of terms and expensive hotels, plus clothing, suppers and men. This is a play not without agility and skill; it was worth nothing, but it taught audiences to take what might be supposed to be their medicine. As a matter of fact, of course, what happened was that at this time a new kick was being introduced into the theatre, that of the straight-in-the-eye truth, unhappy ending, pleasure in punishment. To be good theatre it had to give you pleasure and satisfaction, even if that were only a matter of eating candy and facing life-problems. As thought it was all negligible, but it was a new way of getting your stage satisfaction, and its little moral implications did no harm. After all, there is a certain bookkeeping in our moral life and why not hear of it on the stage, so long as really important dramatists in Europe, such as Ibsen and Strindberg, had already made it safe for culture and liable for fashion and deep vogues? Meanwhile in such considerations a genuine truth was overlooked. That truth of "the deep power of joy" was for the moment blurred; it was really more fun to administer the moral pill in a drab coat, and so the heroine Mr. Walter set up was a bit of a punch on Broadway. All this has little to do with life, poetry or great illumination of our living in terms of art, but it does involve movements in art. The selection of this play was, therefore, wise.

For the season 1910-11 the play selected is Harry James Smith's "Mrs. Bumpstead-Leigh." In this season William Gillette was playing "Sherlock Holmes" again, "The Blue Bird" was on, Leo Ditrichstein was playing in "The Concert" and so on; but the unique quality that Mrs. Fiske could bring to Mrs. Bumpstead-Leigh brought it forward into something rather beyond the playwright's scope. "Disraeli," the four-act play by Louis N. Parker, represents 1911-12. It was, after various uncertainties, a great success, and of late years has been taken by its Mr. Arliss to the moving pictures. I cannot agree with Mr. Mantle's assertion that the screen version of this play and Mr. Arliss' performance in it "probably had more to do with raising the standards of acting on the screen, and more to do with cultivating an appreciation of the difference between true characterization and mugging in a make-up before the camera, than any other drama that has figured in the growth of the talking pictures." As a matter of fact, Mr. Arliss contributed nothing to the screen except his skill and his sense of detailed finesse. He is really better on the screen than on the stage. But this is not because he has screen gifts *per se;* it is because he is essentially an English character actor who is excellent inch by inch in detail, in pains and in projection. As an artist who can hold a complete act or lengthened stage expression of dramatic substance he is nothing to brag about: his method is too dry and too monotonous, not to say rather overevident. The screen has helped him for exactly the reason that it breaks his scenes up: experienced briefly, bit by bit, he comes off best; and this, as in a play like "Disraeli" for instance, is what the screen has afforded him. Except for this breaking up into bits that are sustained more securely than Mr. Arliss can do on the stage, the films have brought nothing for themselves out of this actor: all he is on the screen is merely a photograph of what he is on the stage (though at that, not to be despised).

For 1912-13 we have Edward Sheldon's "Romance"; for 1913-14, George M. Cohan's "Seven Keys to Baldpate"; for 1914-15, Elmer Rice's "On Trial," to be noted for its introduction to Broadway of the flash-back method, then rather new in the films, from which it was borrowed. "The Unchastened Woman," by Louis Kaufman Anspacher, is chosen for the season of 1915-16; for 1916-17, Clare Kummer's "Good Gracious Annabelle," writing that more or less introduced an American form of sophisticated wit and dialogue which at its best has helped the shine of our drama and at its worst has degenerated into the famous Broadway wisecracking. Jesse Lynch Williams' "Why Marry?" stands for 1917-18; St. John Ervine's "John Ferguson" for 1918-19, a production that put the Theatre Guild on a prosperous road, after a definite uncertainty and vagueness in their prospects. No little of this play's success came from Augustin Duncan's directing of it.

The volume also includes a valuable list of all the theatrical productions during these ten years, the foreign visitors and importations among them; a list also of the Pulitzer prize winners, and of other volumes of "Best Plays," plus an admirable index.

There are three points that most occur to me after a consideration of this book and its plays.

One is that nothing in the volume is of any great importance; only in the light of other matters can these plays be dwelt upon seriously as expressions of the dramatic art. There is nothing surprising in this, however, and it only remains to say that, in the very nature of the theatre art, each of these occasions included other elements—the actors, the director, the designer of the décor—that may have carried the result a long step forward. In the case of "The Jest," for example, it was partly the acting of Mr.

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John Barrymore, then not sunk into his movie levels, and the imaginative settings and costumes of Mr. Robert Edmond Jones that forwarded the illusion of importance in the event.

Second, the relation of all these plays to our American life is oblique or almost trivial. The great ground basis of our living is scarcely touched at all; and it is more than evident that the restriction of our drama's development to Broadway and Broadway's tastes or maw or casual appetites, and the dependence of our American theatre on New York, have tended to impoverish and metropolitanize in a shrewd but often contraceptive way most of these pieces.

Third, it would be a child's mind that could go on taking some of these theatre pretentions seriously; many of these dramas are infantile in any significant content. The great hope and enthusiasm accorded them is largely a matter of their going over with an audience and getting a fair run. As theatre strictly this is a sound point; but it does not lessen the tidy unimportance as art of the drama presented in this admirable survey. Of all the plays, it is interesting to note in this connection, the one standing out in our thoughts afterwards is really Edward Sheldon's "Romance." Its relation to Clyde Fitch's earlier "Captain Jinks of the Horse Marines" is evident and interesting. What lifts it above the nine other plays is its quality of glamor, which is so essentially of the theatre art, and its rich, youthful employment of sentiment and heightening and acting possibility. There remains to be said of "Romance," with its run of seven years in the theatres of London and New York combined, that no little of its essence, which rose to the plane of the universal human now and again, was comprised in the creation of its prima-donna heroine by Miss Doris Keane. In the entire history of our theatre there has not been a conception of the romantic and of the artist, as seen through the romantic medium and atmosphere, that ever approached Miss Keane's portrayal. Not only the gamut of external or physical elements was there, in beautiful detail of presentation and perfect stage movement. There was also a finality, grace, wit, sophisticated range, sensuous pathos and an implication of tragic meaning and poetry that, though the appreciation, of course, guarantees a sense of it, was not wholly clear or fully realized by its public. Such realization is, quite rightly, outside the province of the general audience; but it belongs to the peculiar and special emergence of "Romance" from these plays in Mr. Mantle's book.

STARK YOUNG.

A COMMUNICATION

The Technocrats and the Debt Burden

SIR: Mr. Soule, in his article, "The Debt Burden—How Big Is It and Why Is It Heavy?" in The New Republic of March 22, says that "persons like the Technocrats" misunderstand the nature of debt. He objects to their emphasis upon its magnitude and proceeds by orthodox methods to cancel out items of interest, coming to the conclusion that *interest on debt* is not half of the current national income, as he implies has been stated by those who misunderstand, but only about $6,000 million, or one-seventh of the income. He therefore suggests that in point of magnitude it is nothing to worry about.

Why does Mr. Soule omit obsolescence and amortization? Neither can be avoided. Few items pass into obsolescence at a rate lower than 2 percent, and rates of from 5 percent to 20 percent are common in industrial plants and items of equipment. Why omit taxes on public debt? The misunderstanding persons have not talked about "interest," but the total debt claims—the annual accruals against the physical plant and the resultants of its operation. The important thing in connection with debt is its growth *in relation* to the growth of total physical production. For the sake of brevity, may I refer to growth in terms of time-quantity relations, assuming the century from 1800 to 1900 as a unit of time, with zero at 1800, 1 at 1900, and with quantities plotted on zero base.

Consider the following growth rates for the period 1900 to 1930. United States population increased approximately as the square of the time, with growth rate declining for most of the period. Total physical production increased at approximately the fifth power of the time, *but with maximum growth occurring around 1911* and subsequently declining. Total debt increased during the entire period at approximately the ninth power of the time.

It needs no demonstration to support the statement that debt cannot continue to grow at a higher rate than physical production: and physical production cannot, for physical reasons, continue to grow at the rate at which it has been growing over the past fifty years.

So, when Mr. Soule states that "there is no provision to equate growth of credit . . . to the growth of productive capacity" he is giving voice, assuming that he has reference to "the growth of physical production," to one of the main points made by the Technocrats in their analysis.

Turning from the question of magnitude, Mr. Soule asks: "What is the nature of the debt burden?" He answers this by the well worn formulations of economics and remarks: "The social maldistribution of interest has no worse effect in depression than it has in prosperity." Such a statement is no less than astonishing in view of the published facts showing the sweeping changes in the relations between interest, dividends and wages since 1929. These differential relations, taken by themselves, would constitute an account of why we cannot start the productive mechanism.

Toward the end of his course of instruction Mr. Soule says: "The real burden of debt is a different sort of thing altogether. It is just as serious as those believe who misunderstand its nature." In what follows this curious statement, he starts off on a technocratic path, loses it after a couple of paragraphs and returns to the more clearly blazed trail of economics which ends in a wistful fog of "planning." On the way one notes this: "But paying debt *without new borrowing* is like expelling air from the lungs without taking any in. It is not the debt, but the absence of debt turnover and the process of shrinking the debt total, that kills us." Is one to understand that: "It is not debt . . . that kills us," it is the paying that stops the heart action? Obsolescence is a fact of the physical world from

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which we cannot escape, though we bravely attempt it through the fantastic strategy of write-up and refunding procedures of the domain of financial make-believe.

When we lay aside our preconceptions and direct our attention to finding out what constitutes the operating characteristics of the production mechanism, we soon discover that we are imposing conditions under which it cannot function. No attention was paid to the fact that growth of production reached a maximum around 1911 nor that accruals to credit or the "debt service" paid from profits of production reached a maximum growth some ten years later and that since that date accruals to the debt structure had to be made out of capital reserves. These warnings to shrink the debt structure went unheeded: instead, debt was expanded at an unprecedented rate.

One may well ask: Why this failure? Finance, economics and business are guided by the ancient preconception that events move toward a beneficent end. It is essential to hold to this belief under a system of procedures in which the only way of increasing wealth is by enlarging the credit structure—creating increasing magnitudes of debt. There was no choice but to live and do our work animated by belief in that utterly fantastic business concept of normality—"the persistence of constant growth."

Paradoxical as it may appear, our periods of seeming stability and prosperity have been due, hitherto, to our ignorance rather than our knowledge. So long as we had faith in the wealth that arose out of the boiling cauldron of credit—faith in the debt certificates—we could go on refunding, leaving amortization, obsolescence and the differential growth rates of physical production and debt to the soothsayers of investment for a profit. But a little flutter of doubt as to the validity of the debt certificates, that is to say, the awakening of knowledge that they were items of make-believe altogether unrelated to physical production—was all that was required to cause the great mountain of credit to fade into oblivion.

Bonds, mortgages, instruments of loan credit of one sort and another, are items of wealth and the certificates represent ownership and control. The primary purpose in their creation is to afford the borrower a differential advantage against others in bidding for the use and control of industrial processes and materials; they afford him a differential advantage in the distribution of the material means of industry. But these same items when viewed from the domain of technology constitute no aggregate addition to the material means of industry at large. "Funds of whatever sort are a pecuniary fact, not an industrial one: they serve the *distribution of control* of industry, not its materially productive work."

The world of created forms in which we live, the services available at any given time, are resultants of energy conversion—that is to say, *the outcome of work performed in the past.* That the resultants of energy conversion—work actually performed—are not available to the community that does the work is due to no other cause than the financial procedures. The priority rights of the debt claims constitute a gate in the flow line of goods and services. It effectively separates the technological processes of production from the biological needs of consumption. This gate acts in an impersonal way, for it is under the arbitrary control of price.

In the light of the analysis of the operation of our production mechanism recently completed by Mr. Bassett Jones, it is evident that: (1) The quantity of credit at any time must have a one-to-one relation to the volume of production at that time; and (2) the payment to credit at any time must have a one-to-one relation to the growth of production at that time. As a corollary, no debt can be incurred that cannot be amortized within the period of use or obsolescence of the goods produced through the use of the debt, whether these be consumers' or producers' goods.

An examination of the existing system shows that its fundamental operating factor is the flow of energy through it. This flow has precisely the operating characteristics of a credit structure functioning in accordance with (1) and (2) above. Therefore, lacking any seeming possibility of developing such a credit structure on the basis of price, it would seem worth while to investigate the possibility of setting up such a structure with physical energy as a base. Under the present state of technology, there seems to be no other way out of the present dilemma.

New York City. FREDERICK L. ACKERMAN.

[1. Howard Scott *did* make the statement that interest absorbed one-half the national income. This statement was grossly exaggerated. It is well to have that fact established, as a preliminary.

2. Charges for obsolescence are not, in ordinary accounting, debt charges. They would have to be made in any system, if obsolete equipment were to be replaced. Taxes are in part a manifestation of the public debt burden, which was included in the calculation.

3. In spite of Mr. Ackerman's dismissal of the discussion of the nature of the debt burden with the phrase "well worn formulations of economics," it is nevertheless important to understand that interest and principal payments are not diminutions of, or diversions from, the total stream of income. The principal evil economic effect of the social maldistribution of interest is that it stimulates too much investment relative to the purchasing power available for the buying of consumers' goods. This effect is certainly more marked in prosperity than in depression.

4. As to the rest of Mr. Ackerman's reply, it appears to be divided into parts which are erroneous, parts with which I am in substantial agreement, and parts which are incomprehensible to me. Others are better fitted to judge whether it is less or more foggy than my explanation of the trouble caused by fixed debts in an unplanned system.—G. S.]

Man Comes, Man Goes

Man comes, man goes, and leaves behind
The bleaching bones that bore his lust;
The palfrey of his loves and hates
Is stabled at the last in dust.

He cozened it and it did bear
Him to wishing's utmost rim;
But now, when wishing's gained, he finds
It was the steed that cozened him.

WILLIAM FAULKNER.

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CORRESPONDENCE

The Nazi Atrocities

SIR: I consider it my right to protest the following sentence which appears in The New Republic of April 5:

> When we read of the terror that followed—of Socialist mayors deposed and beaten to death, of Jewish rabbis left dying in the gutter, of Communists shot "while trying to escape," of Communists and Socialists arrested by hundreds, taken into cellars and tortured for hours, thrown on the floor while Nazis stamped on their bodies, held against the wall while their teeth were knocked out with revolver butts—we can reflect, etc.

Is it in The New York Daily Mirror that you read such things? But though your source of information may be slightly better than The Mirror's, you have no right to disseminate such wild tales until satisfactory confirmation has been obtained.

Perhaps it is your practice to accuse parties and groups of widespread atrocities when you know of a few individual cases of torturing and terrorization, but this practice gives the reader a general impression which is decidedly harmful. We have not all forgotten the reckless war propaganda, and cannot swallow stories of any group of men knocking out teeth with revolver butts, even when they appear in a journal that is ordinarily fair. Even if many of us did not correspond with Germans who are not Nazis, there would still be some who would retain common sense and not jump on the band wagon as The New Republic has evidently done. . . .

Staten Island, New York City. CARL U. BANDTHOW.

Killing the Job Insurance Bills

SIR: In view of the fact that there are more than twenty-five states that have introduced unemployment-insurance legislation this year, and considering that New York State is the leading industrial state in the country, it might be of interest to the readers of The New Republic to know what happened in relation to this legislation in New York State.

Senator Mastick, who had introduced a bill in other years, introduced it again early in January, 1933. This was the bill originally offered and planned for by a special committee of experts under the leadership of the American Association for Labor Legislation. It was understood that the State Federation of Labor would also introduce legislation. During the latter part of January, a bill similar to the Mastick Bill, except for a few changes, was introduced. The general demand for unemployment-insurance legislation found little effective support except in the New York Conference for Unemployment Insurance Legislation under the chairmanship of Mr. Howard S. Cullman.

Various other bills were introduced, and requests for a hearing were made to the chairman of the Finance Committee of the Senate and the chairman of the Ways and Means Committee of the Assembly. But whether it was due to the predominance of "The Three B's" (Banking, Budget and Beer), or to other causes, no hearing was granted. This was rather unprecedented considering the number of requests which had been made.

During the last week of the legislative session the Governor carrying out his campaign pledges and following the lines of the party platform, sent a special message urging the passage of a bill. Finally on the Saturday afternoon before adjournment the Byrne bill, sponsored by the State Federation of Labor, passed the Senate supported by the Democratic majority and two Republicans. In spite of every effort to get the Committee on Rules in the Republican-controlled Assembly to report the Byrne bill out of Committee after it had passed the Senate, it was impossible to achieve this result. As a matter of fact it was repeatedly stated by a number of legislators that the Republican party in conference had agreed that they would not ask for the discharge of any bill from the Rules Committee, thereby putting all power into the hands of the Speaker of the Assembly. From this extraordinary procedure it appears that only one assemblyman excused himself, so that the three Republican votes necessary to obtain discharge of the bill from the Rules were not found. The Democratic floor leader called for discharge on his unemployment-insurance bill, but the motion was defeated on a slow roll call. The expressed objection was that industry could not bear any further burden. The bill, however, provided specifically, as suggested in Governor Lehman's message, that no contributions should be made until "there has been an increase of at least twenty points in the index number of factory pay rolls in this state, as computed and published by the Labor Department, over such index number for the month of December, 1932, and that such increase has continued for six successive months."

There should be a united effort and a far more aggressive campaign on the part of forward-looking people in all these states to obtain unemployment-insurance legislation for next year. Surely the time has come for the states, overwhelmed by the problem of unemployment of their citizens, to consider a more intelligent and self-respecting method of dealing with it than has been used in this country heretofore.

MARY E. DREIER,
Executive Secretary, New York Conference
New York City. for Unemployment Insurance Legislation.

The Russian Attitude Toward Literature

SIR: The seeming discrepancies of fact and opinion between Miss Weissman and Mr. Charles Malamuth about the publication of "The Little Golden Calf" in Russia [The New Republic, March 22] are not so hard to understand; their explanation involves one of the most interesting characteristics of communist culture as it is being hammered out in the Soviet Union.

Soviet Russia embodies in its policies toward art and culture and their exponents no less than in its collectivization and industrialization policies the knowledge that we live in an evolutionary world. The attitudes of literary groups have changed profoundly during the last fifteen years with changing conditions. When RAPP, the Association of Proletarian Authors, was all-powerful, the content of a literary work was a more important consideration than form or style. During this period Ilf and Petrov were in disfavor with this reigning literary group, as were Rachmaninov, Pilnyak, the individual hero and "romance." When the edict of April, 1932, abolished RAPP and its stifling bureaucratic methods, many Soviet authors and artists became popular who had heretofore been silent, or unprinted, or forbidden.

Mr. Kunitz was aware that the book had appeared serially in 1931, but he did not consider that "publication." In 1931 RAPP was against book publication. When the art atmosphere lightened, this satire, as many other broader works, could be and was published, and now Ilf and Petrov are popular and in demand.

Whether American book publication hastened the Russian publication or not will probably forever remain a secret between the paper factory and the publishing house, but it is immaterial. The changed policy is what determined the publication.

As to the publisher's blurb, Mr. John Farrar, I believe, confesses that he had no exact knowledge as to any censorship when he allowed it to go out. In this he is not very much more reprehensible than other publishers; greater honesty in such matters is certainly desirable. The fact that Lunacharsky wrote an introduction for the American edition and that this was published in a Russian magazine does not seem to be much worse than that Bernard Shaw made speeches which were and are translated in Soviet newspapers. Lunacharsky himself was under fire from RAPP during its hegemony, and now doubtless will be very much more happily tolerated. All these things coincide with the let-up of the strain of the first Five Year Plan, the sitting back for a breathing space in economic, political, industrial and "cultural" life. This incident demonstrates again that no Soviet phenomenon can be understood without reference to what led up to it and what is planned to come after.

New York City. ELLA WINTER.

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An Economic Seminar

SIR: I am sure your readers will be interested in the Traveling Economic Seminar the National Religion and Labor Foundation is conducting this summer on a non-profit basis. Approximately twenty rabbis, ministers, priests and professors will study the industrial and agricultural facts of the country at first hand. The group will meet the first week in July at the Brookwood Labor College, from where the six weeks' trip will start.

The important industrial centers of New York, Pittsburgh, Toledo, Detroit, Gary, Chicago, Springfield (Illinois), Indianapolis and Cincinnati will be covered and studied. Besides the group will study the farm problem while in the Middle West and the itinerary will include a Southern textile-mill city. The seminar will close with conferences in Washington, D. C.

Directors and consultants of the seminar include Jerome Davis, Edward Israel, John A. Ryan, James Myers, Alva Taylor, Helen D. Hill, Sidney Goldstein, Charles Webber, William Spoffard, John A. Lapp, secretaries of the Foundation and others.

Anyone interested should correspond with the National Religion and Labor Foundation at 304 Crown St., New Haven, Connecticut.

GEORGE A. DOUGLAS,
New Haven, Conn. Executive Secretary.

A Committee on Social Planning

SIR: I have been reading with intense interest the two volumes on "Recent Social Trends." I consider it a document of extraordinary interest. It possesses some of the essential qualities of a work of literature; and if the measure of value of a literary work is its relevance to contemporary life and its comprehensive projection of that life, as well as an implied philosophic interpretation and a future reference, this must surely count among the major achievements of our time. It has, moreover, a pattern which, in its balance and integration, may be called beautiful. For it is more than an orderly presentation of facts: it is an interpretation that has required gifts of imagination and insight of a high order. . . .

It is not, however, as a piece of literature but as a vital document and as a collective enterprise that this work must interest us first. It is surely an impressive demonstration of what can be achieved by the collaboration of the best minds working for the general good. And surely the work is not going to end here. It is only the first step. There is one basic conviction that runs through the entire work that constitutes its essential theme: the need for social planning, for the integration of social skills. This work points unmistakably to the next step: *social planning.* The Social Science Research Council can effectively be made the nucleus of a Committee on Social Planning. While the Technocrats are continuing (?) their survey of the energy resources of America, this Committee can undertake the much more important survey of the human resources of energy, brains and training available in the same area and submit a project for their more effective utilization and integration. Indeed, the President's Research Committee specifically suggests such a project:

> The Social Science Council, representative of seven scientific societies, and devoted to the consideration of research in the social field, may prove an instrumentality of great value in the broader view of the complex social problems, in the integration of social knowledge, in the initiative toward social planning on a high level. . . . *It is within the bounds of possibility* [italics mine] that this Council might care to take the initiative in setting up other machinery for the consideration of *ad hoc* problems, and for more and continuous generalized consideration of broader aspects of social integration and planning. . . . Out of these methods of approach it is not impossible that there might in time emerge a National Advisory Council, including scientific, educational, governmental, economic . . . points of contact, or other appropriate elements, able to contribute to the consideration of the basic social problems of the nation. . . .

Is it possible that this suggestion will not be taken seriously, and that the full weight of pressure by intellectual leaders will not be exerted to commend it urgently to the consideration of the administration?

I have a concrete suggestion to offer. It is this: To draw up a petition, to be written, possibly, by some of the men who composed "Recent Social Trends," to be signed by the country's leading authorities in the field of the social and economic sciences, and to be presented to President Roosevelt. This petition would urge President Roosevelt to empower the Social Science Research Council to form a Committee on Social Planning. This Committee should have three functions: (1) to formulate a living ideology based on the best and most hopeful features of American social life and on a realistic interpretation of the enduring ideal of American democracy; (2) to make a comprehensive survey of available man power; and (3) to make an appraisal of the needs of our society on the basis of this ideology with a view to utilizing the available human energy and skill and to developing these in the fields in which they are deficient.

I urge the editors to use their influence and the weight of their authority to organize enlightened opinion in the sponsorship of such a project.

Oakland, Calif. HAAKON M. CHEVALIER.

Extracts from Letters

WILLIAM L. PATTERSON, national secretary of the Scottsboro New Trial Emergency Fund of the International Labor Defense, Room 430, 80 East Eleventh Street, New York City, asks contributions to continue the fight for the lives of the nine Negro defendants.

The Tom Mooney Molders' Defense Committee, Box 1745, San Francisco, California, asks for funds to help carry on the new trial.

W. C. McIntosh, East Akron, Ohio, criticizes hoarding by the banks, saying: "Which is the greater crime, hoarding money in a sock or hoarding in a bank? The economic consequences are the same. Yes, the people lost confidence in the banks, but three years after the banks had lost confidence in the people."

Harry Weinberger, New York, asks: "What is the matter with Columbia University and its graduates, that they do not provide its drama section with a real theatre and a real stage? The very fine productions under Professor Hatcher Hughes at Columbia should find substantial audiences."

E. Michael White, research secretary of the City Affairs Committee of New York, sends us a copy of a letter to the Honorable Maurice C. Burritt, of the New York Public Service Commission, defending the City Affairs Committee against criticism of it voiced by Mr. Burritt in recently deciding that the New York Telephone Company should reduce the charge for hand-set telephones from twenty-five to fifteen cents a month. Mr. White considers that the "public rebuke" given by Mr. Burritt to the City Affairs Committee "is unworthy of the public nature of the functions [of the Commission] and most unfair."

William P. Everts, of Boston, writes to support the view that "if the gold content in the dollar is cut in half, our present gold dollars would be worth two dollars. We obviously would have to give twice as many new dollars per pound to buy coffee from Brazil or sugar from Cuba. If we tried to pay the American farmer less than twice as many new gold dollars for his wheat or cotton as he gets today, he would certainly export it rather than take much less than the present amount of gold which he is receiving for it. Neither would the farmer be satisfied to take currency unless he got twice as many dollars as he gets at present."

Dean W. J. Shepard, of the College of Arts and Sciences, Ohio State University, suggests that "our banking laws should be amended to provide that deposits may be invested only in government securities. Commercial loans would then have to be made from the paid-in capital stock and surplus of the banks. If it be argued that this would not afford sufficient funds to meet the demands of business for loans, the answer is twofold: (1) It would be part of the purpose of such a system to limit and check demands in order to ensure a more conservative business policy, and (2) the demand for loans, now largely met by using bank deposits, might be met to a considerable extent by increasing the capitalization of the banks. . . . If the banks found it unprofitable under these circumstances to provide checking accounts for small depositors, a fixed charge per month might be made."

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The Background of Scottsboro

The Tragedy of Lynching, by Arthur F. Raper. Chapel Hill: The University of North Carolina Press. 507 pages. $2.50.

SHERMAN, county seat of Grayson County, Texas, is described in Chamber of Commerce literature as the "Athens of Texas." It has an opera house, a modern theatre, a number of colleges, "magnificent churches and a citizenship that believes in progress, law and order." Before 1930, it also had one of the finest courthouses in Texas, containing a two-story fireproof vault which was said, at the time it was built, to be the largest in the world. In this vault, George Hughes, Negro farmhand accused of assaulting a white woman, was locked on the afternoon of May 9, 1930, when a mob of white men, women and children fired the courthouse where his trial was being held, dispersing county officials, Texas Rangers and two small units of the National Guard. Eventually this mob succeeded in blasting open the vault, but accidentally killed the Negro, so that further torture of him was impossible. The mob dragged his corpse through the streets of the town—while white patrolmen directed traffic—hung it to a tree in the Negro section and burned it. It then set fire to the Negro business district and slashed the fire hose. Fourteen of the mob were indicted; two were tried and received prison sentences of two years each for arson. This action was unusually severe. Of all the hundreds of thousands of lynchers who have done human beings to death in the years from 1889 through 1930, only forty-nine have been indicted and only four have received sentences. The "Athens of Texas" has, in fact, contributed 50 percent of all sentences ever pronounced on lynchers.

On the night of July 29, 1930, S. S. Mincey, seventy-year-old citizen of Ailey, Montgomery County, Georgia, was taken from his home by a group of masked men. He was driven in a truck to a lonely spot in the woods and abandoned after being beaten so severely that he died next day. His offenses were being a prosperous and respected member of the Negro community, a leader in the county Republican organization and the dispenser of Republican patronage. He had also made a slighting remark—apparently justified—about some of the "lily white" members of the organization. Although the "better elements" among the white citizens were loudly indignant at this outrage, and although there is every reason to believe that the perpetrators of it are well known to the authorities, there have been no indictments.

These are only two of the incidents set forth and fully substantiated in this extremely courageous and hard-hitting book. Mr. Raper and his associates of the Southern Commission for the Study of Lynching set to work in June, 1930, at the suggestion of the Committee on Interracial Cooperation. Their method was to make a thorough case study of every lynching which took place in the year 1930. Their complete findings, here presented for the first time, are of the highest importance. No other book on lynching has probed so deeply as this one or set forth its conclusions so fearlessly. None gives less comfort to those who defend the present standard of justice between the races. Not only does the book set forth the facts in their true horror; it also draws far-reaching conclusions, and shows that popular assumptions about lynching are almost always contrary to the facts.

It is untrue, for instance, that Negroes are lynched chiefly for offenses against women. Less than one-sixth of the Negroes lynched from 1889 through 1930 were even accused of rape. In 1930, the year chosen for intensive study, twenty-one persons were lynched. Eight of them were accused of rape, but this proportion is higher than for any other year since definite records have been kept. Investigation further showed that, of these twenty-one, "two were innocent of any crime (they were not even accused) and there is grave doubt of the guilt of eleven others. In six of these eleven cases there is grave doubt as to just what crimes if any were actually committed, and in the other five—in which there is no question as to the crimes committed—there is considerable doubt as to whether the mobs got the guilty men."

Another popular supposition here shown to be erroneous is that lynchings occur most frequently in the old Black Belt, where Negroes are most numerous, and are prompted by a justifiable fear of "Negro domination." On the contrary, they occur far more often in those comparatively new and sparsely settled regions of the South and the Southwest where Negroes constitute only a fourth or less of the population. Raper has characterized one such community as "belated frontier without the frontier's virility." It is in these regions, too—the most backward economically and culturally—that lynchings are carried out with the greatest ferocity and are most frequently accompanied by torture and mutilation.

This does not mean, however, that the "better elements" in the South are deeply opposed to lynching or have ever taken a strong stand against it. For, as Professor Raper makes clear, the root of the evil is something far deeper than mere lawlessness. It lies in race prejudice and in that exploitation of the Negro which is intertwined with the Southern economic system, and is heartily approved and upheld by Southern white people of all classes. Lynching is merely its extreme expression. Injustice before the courts, insult, disfranchisement, discrimination, the grossly unequal allotment of public funds and services, particularly for education—these are its everyday results. In those Southern states where lynchings were studied in the course of preparing this book, the per-capita expenditures for education have been from ten to forty times as large for white children as for black. The lynchers received from ten to forty times as much for schooling—such as it was—as the lynched. Whether or not they approve of lynching, the "better elements" accept the state of things which produces it.

In the Black Belt, where whites are chiefly of the planter class, lynching is not the emotional outlet, the Roman circus, which it is for the poor white of the type Erskine Caldwell has depicted. In every Black Belt lynching studied by Professor Raper, the mob was small, the largest consisting of not more than two hundred people. In every case it "proceeded in routine fashion with . . . almost clocklike precision." It might in fact be regarded as

> . . . something of a business transaction. . . . The whites, chiefly of the planter class, consciously dependent on the Negro for labor, lynch him to conserve traditional landlord-tenant relations rather than to wreak vengeance upon his race. Black Belt white men demand that the Negroes stay out of their politics and dining rooms the better to keep them in their fields and kitchens.

Although lynching has markedly decreased in the last decades this is not, according to Professor Raper and others, an altogether hopeful sign for race relations. The decrease has been far greater for the country as a whole than for the South, and the proportion of Negroes to the total number

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of persons lynched has grown steadily larger. Moreover, while threatened lynchings have increasingly been prevented, this victory for the forces of law and order is frequently more apparent than real. Officers of the law have often saved accused persons from lynching only by making promises to the mob which nullified the prisoner's chance of a fair trial. They have then felt bound to "keep faith"—with the mob. Scottsboro is only the most recent and flagrant instance of this practice.

> This means that when the mob cannot have its murderous way in defiance of law, it openly attempts to force the constituted authorities to do its bidding. Mobs do not loiter around courtrooms solely out of curiosity; they stand there armed with guns and threats to see that the courts grant their demands—death sentences and prompt executions. Such executions are correctly termed "legal lynchings" or "judicial murders."

This is plain speaking, and comes from one who is qualified to speak plainly. It is of the highest significance that this is a report written by a Southerner, based on the work of Southern investigators, undertaken under the auspices of a Southern organization, and published by the press of a Southern university.

MARTHA GRUENING.

Kay Boyle

The First Lover and Other Stories, by Kay Boyle. New York: Harrison Smith and Robert Haas. $2.

KAY BOYLE presents less of the admirable quality of difference in this volume than we have been led to expect of her. Here is a going on, with the pronouncements remaining hard and firm, but with the fleshly portions softened and lush that used to glitter, and the Irish lilt become almost a responsibility. The words she now uses are seldom confused with her previous characteristic weeping passions and irritabilities but, simple and fresh as rain, they level their content. There is nothing here to equal the frenetic beauty of "On the Run," an early story published in Transition which, elaborated and dramatized, became the novel "Year Before Last." "On the Run" and at least two others of the "Wedding Day" collection composed the heart around which the body of her work is being formed, and such stories as these of the present collection, such stories as "Friend of the Family" and "Lydia of the Ring-Doves," are extremities in relation to that interior vitality.

"Rest Cure" treats of the aggressive fear of death visited upon the writing son of a Welsh miner. "Kroy Wen" is complete irony: a movie director on a sea voyage, instructed to rest, pursued still by art and humanity. " 'There is color!' he said. 'I needed a few yards of a pregnant woman. God, what atmosphere!' he said." Two stories of homosexuality seem to be evenly balanced between charm and slightness.

If we take the fourteen stories one by one for humor, it is present in numerous instances, both with and without bitterness. If we take them for delicacy, it is found abundantly, and perhaps succeeds most exactly in "The First Lover." But delicacy is her pitfall when, as often, she would be stern. Thus, "The Man Who Died Young" is history on tip-toe, with the delicacy more dwelt upon than the man and woman themselves.

Only this one thing more we must ask of Kay Boyle—that she will match her manner more surely with its material, for then she will be greatly significant.

HAZEL HAWTHORNE.

An Odyssey That Failed

The Odyssey of Cabeza de Vaca, by Morris Bishop. New York: The Century Company. 313 pages. $3.

OF THE heroes of exploration in the West no one has been more written about than Alvar Nuñez Cabeza de Vaca. Of the notable personal record of his expedition with Pánfilo de Narváez from Florida to its juncture with Diego de Alcaraz on the west coast of Mexico, there have been translations and abbreviations and learned discussions. But never before has there been a complete biography of him, knitting up the whole exploratative undertaking of the Southern United States with the Gran Chaco on the east slope of the Andes, as Morris Bishop has done in his "Odyssey." He begins not only with the family of Cabeza de Vaca and the origin of his uncouth name, "Head of a Cow," but with a clear notation of the times and their method, not only accounting for the courage and hardihood with which the Spanish *adelantados* entered upon the conquest of the new world, but with a suggestion of the cruelty and the corruption that characterized the period from which Cabeza de Vaca himself so utterly revolted.

The story opens with the grandfather of Alvar Nuñez, "one of those fierce and turbulent spirits that the soil of Christian Spain produced for its own instinctive purposes," and carries on through the commonplace of perverse cruelty until the young man joined the expedition of Pánfilo de Narváez as treasurer in 1527, setting sail from San Lucar with five caravels and some six hundred men. Of the total lack of adequate preparation and the singular ineptitude of Narváez, and the final embarking of the remnant of the expedition in crude hand-made boats from Apalache along the Gulf Shore in the poor hope of arriving at last at the coast of Mexico, there is a complete account, but the genuine odyssey of Cabeza de Vaca begins on the coast of Texas when, reduced to the company of Andres Dorantes, Castillo and the black slave Estebanico, he set forth on his long walk across Texas, New Mexico, part of Arizona and Sonora, up to that time a totally unknown country to Europeans. They began as slaves to the tribesmen, graduated into traders and advanced to the standing of medicine men and adored spiritual leaders. They suffered from hunger, thirst and cold, nakedness, insects and cactus thorns, and at intermittent times from slavery, for six years, only to come at last in touch with a slave-hunting expedition from the Mexican colonies, where they saw all they themselves had suffered turned against the gentle, bewildered Indians who had followed them with generous devotion, so that the first act of the nobly minded Alvar Nuñez on coming in touch with his countrymen was to warn his Indian following to flee while flight was possible.

During their wanderings the Spanish refugees had come in contact with the southern fringes of the great Pueblo culture of New Mexico, and must have had what passed for reasonable assurances of gold and precious stones. Not that Cabeza de Vaca announced these things in his published account of the country, but that the sudden accession of golden rumors and applications for explorative concessions in the north country are definitely traced to his relation. He was reported to have had a private audience with the King after his return, and to have coveted the appointment of *adelantado* to the still unexplored country of Florida. The golden quest of Coronado was known to have been motivated by reports set in motion by the slave Estanbanico, and the expedition of De Soto was the one

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which Cabeza de Vaca planned for himself, to his everlasting disappointment.

What Alvar Nuñez had in mind was a New World administration which should be what no Spanish adventurer in it ever was, a wise, temperate and just supervision over the Indian peoples and a reasonable development of the country's resources. For four years Cabeza de Vaca hung about the court of Spain, hoping for such an appointment, and finally in 1540 he received a commission to the broad estuary of La Plata in Paraguay, where silver had been found and a connection with the gold-bearing regions of the Andes was looked for. Cabeza was appointed *adelantado,* governor, captain-general, chief justice. It was the sort of opportunity he had longed for to establish a colonial order in justice, mercy and peace. And the rest of the book is devoted to showing how impractical, how completely impossible it was to do anything of the sort. Nothing is clearer in Mr. Bishop's account of it than the manner in which this generous, humanitarian project was defeated. The brief interval of reasonableness for which the Jesuit missionaries were responsible came too late to be counted to Cabeza de Vaca's credit, and left no lasting traces. In the year 1556 he died in obscurity, shame and the conviction of failure.

What his story chiefly reveals is that it was in the Spanish temperament rather than in any practical necessity that the secret of the Spanish failure in the New World was to be found; in the substitution of the greed for gold for all reasonable expectation of colonial enterprise—the secret, too, of the persistence of political instability and precarious social welfare in middle South America. I know of no book which throws a plainer light on the history of colonization in the two Americas than this studiously developed story of an Odyssey that failed.

The volume is generously illustrated with reproductions of old prints of the period. MARY AUSTIN.

Town and Countryside

Town and Countryside: Some Aspects of Urban and Rural Development, by Thomas Sharp. New York: Oxford University Press. 240 pages, illustrated. $4.50.

THE CRITICAL literature dealing with the forms and functions of town and country is still so scanty that one must welcome any book that adds to it. The first part of Mr. Sharp's book deals with the actual state of the landscape in England, how it took its special form in the seventeenth and eighteenth centuries, with its closed park-like vistas and its hedgerows, sportive woods run wild, how much it owes to the country gentlemen and landscape gardeners of this century, and in what state it finds itself today. Mr. Sharp, it is true, exaggerates the uniqueness of this English landscape: indeed, he publishes as frontispiece a picture which would do very admirably to illustrate the part of Dutchess County I live in; but he does, in relation to the English countryside, what Paul Schultze-Naumburg, a writer of whom Mr. Sharp has apparently never heard, did in a more exhaustive way for Germany almost twenty years ago.

This landscape, like so much of our own, is now threatened by two things: one of them is what Mr. Benton MacKaye called in "The New Exploration" the metropolitan invasion, that smear of roadside stands and tea rooms and filling stations that crawls out into the countryside, destroying the freshness of the landscape, creating ugly and misplaced makeshifts of housing, and carrying into the country thousands upon thousands of nature-starved denizens of the metropolis, who root out the flowers, bring the metallic din of the radio and the phonograph to the quiet groves, and go back to the city complaining of the congestion of the highroads and demanding hundreds of miles more of wide concrete for speeding back and forth into the countryside. Mr. Sharp, unfortunately, has never heard of Mr. MacKaye, either, so that he is unfamiliar with his plans for stemming the metropolitan invasion by throwing parks and natural reservations across the main lines of communications, by zoning the highroads against filling stations and refreshment rooms except at duly assigned intervals, and by creating a new type of highway, the townless highway, which shall be free of all manner of impedimenta. Some of Mr. Sharp's remarks about the planning and planting of country roads are, however, sensible; although they are so invincibly English in tone and prejudice that he does not give half enough consideration to the great Continental contribution, the tree-lined avenue, like that avenue of aged linden trees which stretches from Lübeck to Travemünde, a distance of some fifteen miles.

But there is another type of invasion, more subtle than this, against which Mr. Sharp writes some of his strongest and most opinionative pages: this is the invasion of the countryside by a new type of urban growth, the open-housing development, which is not compact and disciplined and formalized like the more Gallic type of city design England knew alike in eighteenth-century Bath, in early nineteenth-century Edinburgh and, for that matter, in the seventeenth-century English village. Mr. Sharp believes that the country should be country, and the city should be city; and I join with him cordially in this feeling; but not to the extent of accepting his quite hysterical denunciation of an intermediate type of growth, a type which, in connection with intensive agriculture, may have a functional place in city development. Moreover, Mr. Sharp makes the absurd and indefensible error of attributing the new type of open development to the influence of Sir Ebenezer Howard and the garden-city movement. Nothing could be more fantastic than this, for the garden city is England's decisive contribution to a genuine urban integration. The suburb is a much older form of development than the garden city, and open, irregular, picturesque suburbs and industrial villages were planned and laid out in both America and England long before the garden city was heard of. Mr. Sharp is either unpardonably ignorant on this point or unpardonably malicious.

Mr. Sharp believes that the maximum number of houses that can now be built on government-approved schemes, namely twelve to the acre, is too low for real urban development; and I am inclined to agree with him, particularly since in many of the poorer English schemes far too much space is wasted in land on the street frontage between the building lines. The economic advantages of open planning can be obtained by multiple-row planning without streets within a superblock; and a sufficiency of gardens, sunlight, open spaces and playgrounds can be obtained on land that is developed at a much higher density than twelve houses to the acre. Unfortunately, to buttress up his case for more compact planning, Mr. Sharp not merely fastens the blame on the wrong group, but looks for salvation through the fostering of a traditional city design of the eighteenth-century pattern; whereas nothing is plainer than that our new type of planning, as it is being worked out in Holland, Germany, Sweden and Switzerland today, will be as different from Georgian planning as it will be from romantic suburbanism. So it happens that Mr. Sharp's positive recommendations for a more urbane type of growth,

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together with his suggestions of the type of plan, the amount of park space necessary and matters of this sort, are so abstract and superficial that they are practically useless as a guide to a better development. For Americans who know nothing about either the development of the English garden city or the immense advance in housing that has taken place in England, under governmental supervision and with the aid of governmental subsidies since the War, Mr. Sharp's book is a treacherous introduction to the subject; because even when his opinions are right, his reasons are wrong; and even when his reasons are right, the goals which he has set have already been objectively approached and partly achieved, with great distinction and skill, by the Dutch and German planners whom he ignores. LEWIS MUMFORD.

How Religions Work

Religions in Various Cultures, by Horace Friess and Herbert W. Schneider. New York: Henry Holt and Company. 556 pages. $4.

THE AUTHORS have wisely chosen to describe a few religions—Shinto, Hinduism, Buddhism, Greek religion, Judaism and Christianity—rather than turn out a speciously complete catalogue. Two hundred valuable illustrations and an extensive bibliography complete a volume which compares favorably with any of similar dimensions. It fulfills admirably its specific purpose as an introduction for the student; others, too, will find of intrinsic interest its synthesis of recent advances in the scientific study of religion.

The emphasis of this work is toward description and analysis of the patterns and functions of religious techniques within given cultures. This functional approach is in significant opposition to the conception of religion of the dominant schools. It takes its starting point from the fact that religion is not a specific kind of experience, but a way in which any experience can be expressed. Rites, theologies, dogmas, gods, are means, not ends. Consequently, the functions of religion are to be sought in external motivation rather than in emotional content. This approach includes the institutional and sociological history of religion, but it is to be sharply distinguished from the method of religious historians who manage to combine the record of vast changes in religion with a conception of religion as nevertheless unchanging in essence, values or "doctrinal continuity." This functional approach is also not to be confused with that of the University of Chicago group, who appeal to Dewey's instrumentalism, but invalidly retain the concept of specific religious values by identifying religion with the honorifically social. A more explicit statement of this important point of view, which appears only by implication in the present work, will be found in Professor Schneider's contribution to "Essays in Honor of John Dewey."

Messrs. Friess and Schneider's description of religion reflects throughout a careful discrimination between the religion of texts and theologians and the religion as practised at any given time; the different functions served by religions for different classes; and the leading role taken by specific classes in new religious developments. These ideas are not in themselves new, but usually they have been read off as corollaries of a general social theory and been given no content; the authors' application of these and related ideas, though by no means systematic, offers valuable beginnings for the still largely neglected study of the changing roles of religions. What is necessary for this study is not new materials, but a functional approach freed of apologetics; and to the considerable extent that the authors have applied their method, they have thrown much new light on familiar facts. I recommend particularly the section on contemporary religion which, despite much judicious phraseology, makes clear the possibilities of the "social gospel" which is today again being resuscitated. It makes clear the simple but highly obscured fact that the social program of a church, whatever its general statement, will go no further than the social prejudices of the group that controls it. Professors Friess and Schneider have, however, ignored one significant factor involved in the promulgation of the social gospel: it is not when the masses suffer most, but when the masses struggle most, that the social gospel reappears.

The book has some serious faults. There is, for example, the section on the Orthodox Church in Russia, which might have been written by an emigré, so apologetic is its tone. And there is a tendency to obscure the fact that the religious techniques are not only techniques of expression but techniques of control, a fact which raises the distinction between the ends sought through religion and the psychological satisfactions which result. But the volume remains an important contribution. In their complacent politics, rather than in the authors' conception of religion, lie the limitations of their work.

FELIX MORROW.

Book Notes

BIOGRAPHY AND MEMOIRS

PEACE PATROL, by Stewart Roddie. *New York: G. P. Putnam's Sons. 327 pages. $3.50.*

From January, 1919, to January, 1926, Colonel Roddie served on the British military mission, itself a section of the Inter-Allied military mission, for the disarmament of Germany. The magnitude of that task may be indicated by the statement that in 1918 Germany had 260 divisions with perhaps 20,000 guns, while at the completion of her disarmament she had seven divisions with less than 300 guns. And there were small arms and supplies of every description to be destroyed, and factories to be dismantled. But the book tells little of the process by which this was accomplished. It is anything but a record of official acts. Rather, it is a collection of experiences and impressions told with vivacity and charm, glimpses of people and events during the author's long sojourn in Germany.

SOCRATES, by A. E. Taylor. *New York: D. Appleton and Company. 174 pages. $2.*

The principal fact known about Socrates is his execution in Athens in the year 399 B. C. All else is conjecture. What his life, his influence on his times, his teachings, were must be disentangled from the motives and characteristics of the men who reported him to history. Professor Taylor's task was the difficult one of boiling down the research and counter-research to a state where some coherent picture of the man could be presented. Professor Taylor's Socrates is the Socrates of Plato's dialogues; but by judicious use of the other documents about the man, he has built up a continually developing, complex personality and captured something, probably, of the original Socratic doctrines, so that the character seems to justify the extraordinary hold Socrates has maintained on the Western mind.

THREE FRIENDS: Memoirs of Digby Mackworth Dolben, Richard Watson Dixon and Henry Bradley, by Robert Bridges. *New York: Oxford University Press. 243 pages. $2.50.*

The late laureate expressed the wish that no biography of himself should be written. The three biographies which he has written are uniform in the delicate expression of a very quiet and dignifiedly acquiescent conception of friendship. Dr. Bridges is

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conscientiously devoted in the construction of the facts about each; he is firmly reticent at every point where a fact might seem to imply an issue. The subjects are not uninteresting. Dolben was a minor poet, prematurely and interestingly influenced by the Tractarian movement; Dixon was one of the originals in the Pre-Raphaelite Brotherhood, an excellent historian and a poet immensely admired by Gerard Hopkins; Bradley was a thoroughly attractive scholar, senior editor of the New English Dictionary.

Public Questions

CITIZENS' ORGANIZATIONS AND THE CIVIC TRAINING OF YOUTH, by Bessie Louise Pierce. *New York: Charles Scribner's Sons. 428 pages. $2.*

This book forms Part Three of the Report of the Commission on Social Studies of the American Historical Association. It is a noncommittal discussion of citizen and youth organizations ranging all through the political spectrum from the infra-red of the Young Pioneers to the ultra-violet of the W.C.T.U.

THE VOICE OF YOUNG AMERICA, by James H. R. Cromwell. *New York: Charles Scribner's Sons. 191 pages. $1.*

In this book Mr. Cromwell seriously and diligently conducts his education in public. At the present stage, he has read a number of books that are usually listed as required or supplementary reading in social-science courses given at the more liberal universities. He has, thus, learned that the times are "rotten ripe for change." Now, Young America must rise and furnish the leadership that will save capitalism and thus continue the march of progress and civilization. Mr. Cromwell lists thirty-four specific reforms calculated to fulfill this aim. One of the most important, about which he is considerably excited, is the substitution of a parliamentary system for our federal one of checks and balances. The other thirty-three are familiar. In his brief analyses, Mr. Cromwell is superficial and weak; when he deals with "vague" theories like Socialism and Communism, he is downright inept. His book does nothing to justify its pretentious title.

Science

THE ACTION OF THE LIVING CELL: Experimental Researches in Biology, by Fenton B. Turck. *New York: The Macmillan Company. 308 pages. $3.50.*

This monograph is a frank and carefully documented attempt to introduce a new hypothesis into biological science. Dr. Turck devoted forty years of his life to an extensive research into the mechanism of cellular action in animals and man, and as the fruit of his labors formulated his theory of "cytost," which he defines as "an endocellular component capable of both exciting and depressing the activities of neighboring cells" (the analogy with enzymes and with chemical catalysts will occur to many). To the study of this difficult and important problem Dr. Turck brought a considerable experimental ability, and there is much in his discussions of cell behavior under normal and diseased conditions that will be of permanent value. The largely hypothetical "cytost" (and "anticytost") may prove inadequate to future investigators, but it is only through such guesswork, rigorously controlled by facts, that a body of knowledge can be slowly developed into a science. A fairly comprehensive bibliography of the relevant literature, here offered, will assist the student in this field.

ATOM AND COSMOS: The World of Modern Physics, by Hans Reichenbach. *Translated by Edward S. Allen. New York: The Macmillan Company. 300 pages, illustrated. $2.*

This book may be recommended to those who desire a brief, competent and not too technical summary of the methods and results of modern physics. The author, a professor of Natural Philosophy at the University of Berlin (where also Max Planck has done much of his revolutionary work), has a well rounded knowledge of the physical sciences, and combines with his presentation of recent discoveries a good grasp of fundamentals and a matured philosophic view of the concepts and implications behind them. Under the general headings of Time and Space, Light and Radiation, Matter, he manages to cover a wide field both of fact and theory, with sufficient historical background to provide a sense of continuity in this swiftly changing domain. He is keen enough to recognize the close dependence of our concepts upon what we

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actually know of the external world: in two final chapters on "Causality and Probability" and "Picture and Reality," he warns the reader against the common danger of seeking emotional satisfaction in some of the more abstruse and superficially glamorous tendencies of current physical theory.

Fiction

MA JEETER'S GIRLS, by Dorothy Thomas. *New York: Alfred A. Knopf. $1.75.*

Ma Jeeter's daughters had a common weakness: they couldn't say no. So pronounced was this failing that the people in the neighborhood got to calling a sheriff wedding a "Jeeter wedding." During the winter that the school teacher boarded with the Jeeters, Ma—in fine, salty idiom—told her the girls' stories, which range from near tragedy to fresh and sometimes slightly bawdy comedy. Miss Thomas's Ma Jeeter is a never failing delight—her gusto, humor and native good sense entitle her to claim kin with "old Doc Bull" in Mr. Cozzens' "Last Adam."

WAITING FOR A SHIP, by Marcus Lauesen. *Translated by Arthur G. Chater. New York: Alfred A. Knopf. $2.35.*

Although its action is compressed into a few days, "Waiting for a Ship" is the chronicle of a once powerful family of shipowners doomed to extinction by some of the very qualities that had formerly raised it to a plane of wealth and importance. Whatever strong qualities the Jessens possess are summed up in the tyrannical Fru Juliane Hagemeyer, an octogenarian who, for all her despotism, is as grand as any of the family ships she boasts about. While her two sons and their wives are visiting her, she is suddenly confronted with the imminence of death. Her new emotions trap her pride as they force her to see her family in its true, degenerate aspect; nevertheless, until her last breath she goes on keeping up appearances, issuing commands, as she had always done, like a captain who refuses to believe his ship is sinking. This novel's enormous popularity in Denmark two years ago is perhaps explained by the exciting and memorable characterization of Fru Hagemeyer.

Contributors

SUMNER H. SLICHTER is professor of Business Economics at Harvard University and the author of "Modern Economic Society," which was published two years ago.

PAUL H. DOUGLAS is a professor of Economics at the University of Chicago and president of the Utility Consumers' and Investors' League of Illinois.

FREDERICK L. ACKERMAN, a member of the American City Planning Institute and of the Regional Planning Association, participated in the design and development of Sunnyside, Long Island, and of Radburn, New Jersey. He is a frequent contributor to architectural journals on the subject of the economics of housing and town planning.

WILLIAM FAULKNER'S poem in the present issue is included in "A Green Bough," a volume of verse just issued by Smith and Haas.

MARTHA GRUENING, a frequent contributor to the magazines of this country, made a study of lynching for the National Association for the Advancement of Colored People.

HAZEL HAWTHORNE, who contributed a short novel to "The Fourth American Caravan" and has contributed stories to The Hound and Horn and other magazines, has just completed a novel of life in New England.

MARY AUSTIN, the well known novelist (her most recent book was "Earth Horizon"), is at present living in Sante Fe, New Mexico.

LEWIS MUMFORD, whose various books on architecture, biography, art and the social sciences are well known to readers of The New Republic, is at present completing a treatise on "Form and Civilization."

FELIX MORROW, free lancing in New York City, has contributed reviews and articles to The Saturday Review, The Symposium, The New Masses and other magazines.

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